

BY-LAWS  
OF  
OAKWOOD TOWNHOMES  
HOME OWNER'S ASSOCIATION, INC.  
(NON-PROFIT CORPORATION)

TABLE OF CONTENTS  
FOR  
OAKWOOD TOWNHOMES  
HOME OWNER'S ASSOCIATION, INC., BY-LAWS

	<u>Page</u>
ARTICLE I. OFFICES	
Section 1.01. Principal Office.	1
Section 2.01. Registered Office and Registered Agent.	1
ARTICLE II. CERTAIN TERMS DEFINED	
Section 2.01. "Association".	1
Section 2.02. "Owner".	1
Section 2.03. "Properties".	2
Section 2.04. "Common Area".	2
Section 2.05. "Lot" or "Parcel".	2
Section 2.06. "Townhome".	2
Section 2.07. "Declarant".	2
Section 2.08. "Resident Member".	2
ARTICLE III. MEETING OF MEMBERS	
Section 3.01. Place of Meetings.	2
Section 3.02. Annual Meeting.	3
Section 3.03. Notice of Meeting.	3
Section 3.04. Special Meetings.	3
Section 3.05. Quorum.	3
Section 3.06. Voting.	3
Section 3.07. Proxies.	4
Section 3.08. Consent of Absentees.	4
Section 3.09. Voting List.	4
Section 3.10. Action Without Meeting.	4
Section 3.11. Order of Business at Meetings.	4
Section 3.12. Pre-Emptive Rights.	5
ARTICLE IV. DIRECTORS	
Section 4.01. Powers and Duties.	5
Section 4.02. Number and Qualification of Directors.	7

	<u>Page</u>
Section 4.03. Election and Term of Office.	7
Section 4.04. Vacancies.	8
Section 4.05. Removal of Directors.	8
Section 4.06. Place of Meetings.	8
Section 4.07. Regular Meetings.	8
Section 4.08. Special Meetings--Call and Notice.	8
Section 4.09. Quorum.	8
Section 4.10. Board Action Without Meeting.	9
Section 4.11. Adjournment--Notice.	9
Section 4.12. Conduct of Meetings.	9
Section 4.13. Compensation.	9
 ARTICLE V. COMMITTEES: ARCHITECTURAL CONTROL	
Section 5.01. Power of Directors to Appoint Committees.	9
 ARTICLE VI. NOTICE	
Section 6.01. Method.	9
Section 6.02. Waiver.	10
 ARTICLE VII. OFFICER AND AGENTS	
Section 7.01. Number; Qualification; Election; Term.	10
Section 7.02. Removal.	11
Section 7.03. Vacancies.	11
Section 7.04. Authority.	11
Section 7.05. Compensation.	11
Section 7.06. President.	11
Section 7.07. Vice-Presidents.	11
Section 7.08. Secretary.	12
Section 7.09. Treasurer.	12
 ARTICLE VIII. INDEMNIFICATION	
Section 8.01. Directors and Officers.	12
 ARTICLE IX. EXECUTION OF INSTRUMENTS	
Section 9.01. Signatory Named by Directors.	13
 ARTICLE X. ASSESSMENTS	
Section 10.01. Assessments Governed by Declaration.	13
 ARTICLE XI. RECORDS, REPORTS, AND SEAL	
Section 11.01. Inspection of Books and Records.	14
Section 11.02. Annual Report to Shareholders.	14

	<u>Page</u>
Section 11.03. Contents of Annual Reports.	14
Section 11.04. Preparation of Financial Statements.	14
Section 11.05. Fiscal Year.	14
Section 11.06. Corporate Seal	14
Section 11.07. Closing Certificate of Membership Transfer Books.	14
ARTICLE XII. FIDELITY BONDS	
Section 12.01. Officers and Employees.	14
ARTICLE XIII. GENERAL PROVISIONS	
Section 13.01. Amendment of By-Laws	15
Section 13.02. Construction; Conflicts.	15
Section 13.03. Table of Contents and Headings.	15

BY-LAWS  
OF  
OAKWOOD TOWNHOMES  
HOME OWNER'S ASSOCIATION, INC.  
(A NON-PROFIT CORPORATION)

Preamble. This is a Non-Profit Corporation organized and operated under the applicable laws of the State of Texas, including the Texas Non-Profit Corporation Act, the Texas Business Corporation Act, and the Texas Miscellaneous Corporation Act.

ARTICLE I. OFFICES

Section 1.01. Principal Office.

The principal office of the corporation in the State of Texas shall be located in the City of Bryan, County of Brazos. The corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

Section 1.02. Registered Office and Registered Agent.

The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II.

CERTAIN TERMS DEFINED

Section 2.01. "Association".

"Association" shall mean and refer to OAKWOOD TOWNHOMES HOMEOWNER'S ASSOCIATION, INC., a non-profit corporation, its successors and assigns.

Section 2.02. "Owner".

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of

the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.03. "Properties".

"Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions for OAKWOOD TOWNHOMES HOME OWNER'S ASSOCIATION, INC., and such additions thereto as may hereafter be brought within the jurisdiction of the Association, hereinafter referred to as OAKWOOD TOWNHOMES HOME OWNER'S ASSOCIATION, INC.

Section 2.04. "Common Area".

"Common Area" shall mean all real property and chattels owned by the Association for the common use and enjoyment of the resident members and the associate members.

Section 2.05. "Lot" or "Parcel".

"Lot" or "Parcel" shall mean and refer to any of the building sites enumerated 1 through 61 on the Plat of this PUD on which (except the common area) there is or will be constructed a single family townhome which is to be individually and separately owned.

Section 2.06. "Townhome".

"Townhome" shall mean a single family residence unit joined together with at least one other single family residence by a common wall, or walls, and/or roof and/or foundation.

Section 2.07. "Declarant".

"Declarant" shall mean and refer to Building Crafts, Inc., its successors and assigns.

Section 2.08. "Resident Member".

"Resident Member" shall mean those residents in OAKWOOD TOWNHOMES Planned Unit Development (both owners and renters or others having a legal right to be residents) in a townhome for which the Association assessments against said townhomes are current.

ARTICLE III. MEETING OF MEMBERS

Section 3.01. Place of Meetings.

All meetings of the Members shall be held at the OAKWOOD TOWNHOMES Planned Unit Development or any other place within or without this State, as may be designated for that purpose from time to time by the Board of Directors.

Section 3.02. Annual Meeting.

The annual meetings of the Members shall be held each year at 10:00 AM, on the \_\_\_\_ day of \_\_\_\_\_. If this day falls on a legal holiday, the annual meeting shall be held at the same time on the next following business day thereafter.

Section 3.03. Notice of Meeting.

Notice of the meeting, stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given in writing to each Member entitled to vote at the meeting at least ten (10) but not more than fifty (50) days before the date of the meeting, as well as to all holders of first mortgages when requested, to be delivered either personally or by mail or other means of written communication, addressed to the first mortgage holder or Member at the appropriate address appearing on the books of the Association or given to the Association for the purpose of notice. Notice of adjourned meetings is not necessary unless the meeting is adjourned for thirty (30) days or more, in which case, notice of the adjourned meeting shall be given as in the case of any special meeting.

Section 3.04. Special Meetings.

Special meetings of the Members for any purpose or purposes whatsoever may be called at any time by the President, or by the Board of Directors, or by any two (2) or more Directors, or by not less than one-tenth (1/10) of all the Members entitled to vote at the meeting.

Section 3.05. Quorum.

A majority of the voting shares constitutes a quorum for the transaction of business. Business may be continued after withdrawal of enough Members to leave less than a quorum.

Section 3.06. Voting.

Only persons in whose names Lots appear on the records of the Association on the date on which notice of the meeting is mailed shall be entitled to vote at such meeting, unless some other day is fixed by the Board of Directors for the determination of Members of record. Directors shall be elected by plurality vote. Cumulative voting shall not be permitted. Voting for the election of Directors shall be by voice unless any Member demands a ballot vote before the voting begins.

Section 3.07. Proxies.

Every person entitled to vote or execute consents may do so either in person or by written proxy executed in writing by the Member or his duly authorized attorney in fact.

Section 3.08. Consent of Absentees.

No defect in the calling or noticing of a Members' meeting will affect the validity of any action at the meeting if a quorum was present, and if each Member not present in person or by proxy signs a written waiver of notice, consent to the holding of the meeting, or approval of the minutes, either before or after the meeting, and such waivers, consents, or approvals are filed with the Association records or made a part of the minutes of the meeting.

Section 3.09. Voting List.

At least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at the meeting, arranged in alphabetical order, with the unit number address of each, shall be prepared by the officer or agent having charge of the Member's certificate transfer books. The list, for a period of ten (10) days prior to the meeting, shall be kept on file at the registered office of the Association and shall be subject to inspection by any Member at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Member during the whole time of the meeting and by any First Mortgagee of record.

Section 3.10. Action Without Meeting.

Action may be taken by Members without a meeting if each Member entitled to vote signs a written consent to the action and such consents are filed with the Secretary of the Association.

Section 3.11. Order of Business at Meetings.

The order of business at annual meetings and so far as practicable at other meetings of Members shall be as follows unless changed by the Board of Directors:

- (1) Call to order
- (2) Proof of due notice of meeting
- (3) Determination of quorum and examination of proxies

- (4) Announcement of availability of voting list
- (5) Announcement of distribution of annual statement
- (6) Reading and disposing of minutes of last meeting of  
Members
- (7) Reports of officers and committees
- (8) Appointment of voting inspectors
- (9) Unfinished business
- (10) New business
- (11) Nomination of Directors
- (12) Voting on Directors
- (13) Other business
- (14) Adjournment.

Section 3.12. Pre-emptive Rights.

No Member or other person shall have any pre-emptive right whatsoever.

ARTICLE IV. DIRECTORS

Section 4.01. Powers and Duties.

The Directors shall act only as a Board and an individual Director shall have no power as such. All corporate powers of the Association shall be exercised by, or under the authority of, and the business and affairs of the Association shall be controlled by the Board of Directors, subject, however, to such limitations as are imposed by law, the Articles of Incorporation, the Declaration of Covenants, Conditions, and Restrictions, or these By-Laws, as to the actions to be authorized or approved by the Members. The Board of Directors may, by contract or otherwise, give general or limited or special power and authority to the officers and employees of the Association to transact the general business, or any special business, of the Association, and may give powers of attorney to agents of the Association to transact any special business requiring such authorization.

- (1) Specific Powers. The Board of Directors shall have power to:
  - (A) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
  - (B) suspend the voting rights and right to use of the

recreational facilities of a Member during any period in which such Member shall be delinquent in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(C) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(D) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(E) employ a manager for the Planned Unit Development, an independent contract, or such other employees as they deem necessary, and to prescribe their duties; and

(F) appoint an architectural control committee from the unit owners.

(2) Specific Duties. It shall be the duty of the Board of Directors to:

(A) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to all First Mortgagees of record when requested and to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(B) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

(C) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot and membership at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner and Member subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner or member personally obligated to pay the same.

(D) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(E) procure and maintain adequate liability and hazard insurance on property owned by the Association, and such other insurance as may be deemed necessary;

(F) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(G) cause the exterior of the dwelling and such other properties as required by the Declaration to be maintained.

Section 4.02. Number and Qualification of Directors.

The authorized number of Directors of this Association shall be five (5) after Class B membership is terminated. While there is Class B membership, there shall be three (3) Directors. The Directors need not be Members of this Association or residents of Texas. The number of Directors may be increased or decreased from time to time by amendment to these By-Laws but no decrease shall have the effect of shortening the term of any incumbent Director. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

Section 4.03. Election and term of Office.

Within 120 days after termination of Class B membership the initial Directors shall call a special meeting at which time each shall resign, and the members shall then elect three (3) directors for a term of one year and two directors for a term of two years, and at each annual meeting thereafter the members shall elect directors for terms of three years as needed.

Section 4.04. Vacancies.

Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director. The Members may elect a Director at any time to fill any vacancy not filled by the Director.

Section 4.05. Removal of Directors.

The entire Board of Directors or any individual Director may be removed from office with or without cause by vote of the voting Members entitled to vote for Directors, at any regular or special meeting of such Members. In the event of death, resignation, or removal of a Director, his successor shall be selected by the remaining Member of the Board and shall serve for the unexpired term of his predecessor.

Section 4.06. Place of Meetings.

All meetings of the Board of Directors shall be held at the principal office of the Association or at such place within or without the State as may be designated from time to time by resolution of the Board or by written consent of all the Members of the Board.

Section 4.07. Regular Meetings.

Regular meetings of the Board of Directors shall be held, without call or notice, immediately following each annual meeting of the Members of this Association, and at such other time as the Directors may determine.

Section 4.08. Special Meetings--Call and Notice.

Special meetings of the Board of Directors for any purpose shall be called at any time by the President or, if he is absent or unable or refuses to act, by any Vice President or any two Directors. Written notices of the special meetings, stating the time, and in general terms the purpose or purposes thereof, shall be mailed or telegraphed or personally delivered to each Director not later than the day before the day appointed for the meeting.

Section 4.09. Quorum.

A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles

of Incorporation.

Section 4.10. Board Action Without Meeting.

Any action required or permitted to be taken by the Board of Directors, may be taken without a meeting, and with the same force and effect as a unanimous vote of Directors, if all members of the Board shall individually or collectively consent in writing to such action.

Section 4.11. Adjournment--Notice.

A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned. In the presence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 4.12. Conduct of Meetings.

The President, or, in his absence, any Director selected by the Directors present, shall preside at meetings of the Board of Directors. The Secretary of the Association, or in his absence, any person appointed by the presiding officer, shall act as Secretary of the Board of Directors.

Section 4.13. Compensation.

No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V. COMMITTEES: ARCHITECTURAL CONTROL

Section 5.01. Power of Directors to Appoint Committees.

The Board of Directors of the Association shall appoint an Architectural Control Committee, as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE VI. NOTICE

Section 6.01. Method.

Whenever by statute, the Articles of Incorporation, the Declaration, or these By-Laws, notice is required to be given to Director or Member, and no provision is made as to how the notice shall be given, it shall

not be construed, to mean personal notice, but any such notice may be given (a) in writing, by mail postage prepaid, addressed to the Director or Member at the address appearing on the Books of the Association, or (b) in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States mails.

Section 6.02. Waiver.

Whenever, by statute, the Declaration, the Articles of Incorporation, or these By-Laws, notice is required to be given to Member or Director, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE VII. OFFICERS AND AGENTS

Section 7.01. Number: Qualification: Election: Term.

(1) The Association shall have:

(A) A President, a Vice-President, a Secretary, and a Treasurer, and

(B) Such other officers (including a Chairman of the Board and additional Vice-Presidents) and assistant officers and agents as the Board of Directors may think necessary.

(2) No officer or agent need be a Member, a Director, or a resident of Texas.

(3) Officers named in Section 7.01 (1) (A) shall be elected by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members or on the expiration of an officer's term or whenever a vacancy exists. Officers and agents named in Section 7.01 (1) (B) may be elected by the Board at any meeting.

(4) Unless otherwise specified by the Board at the time of election or appointment, or in an employment contract approved by the Board, each officer's and agent's term shall end at the first meeting of Directors after

the next annual meeting of Members. He shall serve until the end of his term or, if earlier, his death, resignation, or removal.

(5) Any two or more offices may be held by the same person, except that the President and the Secretary shall not be the same person.

Section 7.02. Removal.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 7.03. Vacancies.

Any vacancy occurring in any office of the Association (by death, resignation, removal, or otherwise) may be filled by the Board of Directors.

Section 7.04. Authority.

Officers and agents shall have such authority and perform such duties in the management of the Association as are provided in these By-Laws or as may be determined by resolution of the Board of Directors not inconsistent with these By-Laws.

Section 7.05. Compensation.

The compensation, if any, of officers and agents shall be fixed from time to time by the Board of Directors.

Section 7.06. President.

The President shall be the chief executive officer of the Association and shall perform all the duties commonly incident to that office, and shall preside at all meetings of the Members and at all meetings of the Board of Directors. The President shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes.

Section 7.07. Vice-Presidents.

The Vice-President, or the Vice-Presidents in the order of their seniority, may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant, and shall perform such other duties and have such other powers

as the Board of Directors or the President shall designate from time to time.

Section 7.08. Secretary.

The Secretary shall see that all notices are duly given in accordance with the provisions of these By-Laws, the Declaration, or as required by law; shall keep the minutes of proceedings of meetings of Members and of the Board of Directors; keep the corporate seal of the Association and affix it on all documents requiring said seal; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as are incident to his office or as are assigned to him by the Board of Directors or by the President.

Section 7.09. Treasurer.

The Treasurer shall receive and have custody of all funds and securities of the Association; shall keep adequate and correct accounts of the Association's properties and business and transactions; shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause a report of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual audit and budget and a statement of income and expenditures to be presented to the Members at the Annual Meeting of Members, and shall deliver a copy of each to the Members following the Annual Meeting of Members; and shall perform such other duties as may be required of him by the Board of Directors or by the President.

ARTICLE VIII. INDEMNIFICATION

Section 8.01. Directors and Officers.

Except to the extent that such liability or damage or injury is covered by insurance proceeds, the Board of Directors may authorize the Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former director, officer, committee member, or employee of the Association in an action brought by a third party against such person, whether or not the Association is joined as a party defendant, to impose a liability or penalty on such person while a

director, officer, committee member or employee; provided, the Board of Directors determines in good faith that such director, officer, or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Association or its Members. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this Section shall apply to the estate, executor, administrator, heirs legatees, or devisees of a director, officer, committee member, or employee, and the term "person" where used in the foregoing Section shall include the estate, executor, administrator, heirs, legatees, or devisees of such person.

#### ARTICLE IX. EXECUTION OF INSTRUMENTS

##### Section 9.01. Signatory Named by Directors.

The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the Association.

#### ARTICLE X. ASSESSMENTS

##### Section 10.01. Assessments Governed by Declaration.

As more fully provided in the Declaration, each Member is obliged to pay to the Association "Annual" and "Special" assessments which are secured by a continuing lien upon the property and membership against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner or Member personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area of abandonment of his Lot.

## ARTICLE XI. RECORDS, REPORTS, AND SEAL

### Section 11.01. Inspection of Books and Records.

All books and records provided for by statute shall be open to inspection of the Members and to all holders of first mortgages.

### Section 11.02. Annual Report to Shareholders.

The Board of Directors shall cause an annual report to be sent to the Members not later than ninety (90) days after the close of the fiscal or calendar year.

### Section 11.03. Contents of Annual Reports.

The annual report shall include the following financial statements:

- (1) A balance sheet as of such closing date;
- (2) A statement of income or profit and loss for the year ended on such closing date;
- (3) Such other information as the Directors shall determine.

### Section 11.04. Preparation of Financial Statements.

The financial statements shall be prepared from the books and shall be in accordance therewith and shall be certified by the President, Secretary, Treasurer, or a public accountant. They shall be prepared in a form sanctioned by sound accounting practice for the particular kind of business carried on by the Association.

### Section 11.05. Fiscal Year.

The fiscal year of the Association shall be as determined by the Board of Directors.

### Section 11.06. Corporate Seal.

The Board of Directors may adopt, use, and thereafter alter, the corporate seal.

### Section 11.07. Closing Certificate of Membership Transfer Books.

The Board of Directors may close the transfer books in their discretion for a period not exceeding fifty (50) days preceding any meeting, annual or special, of the Members.

## ARTICLE XII. FIDELITY BONDS

### Section 12.01. Officers and Employees.

The Board of Directors may require that all officers and employees of the Association handling or that are responsible for Association funds

furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

### ARTICLE XIII. GENERAL PROVISIONS

#### Section 13.01. Amendment of By-Laws.

The power to alter, amend, or repeal these By-Laws is vested in the Members, by a vote of a majority of a quorum of voting Members present in person or by proxy, but such power may be delegated to the Directors.

If FHA and/or VA have insured or guaranteed at least one mortgage covering property in the PUD, these By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

#### Section 13.02. Construction; Conflicts.

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these By-Laws shall be invalid or inoperative, then, so far as is reasonable and possible:

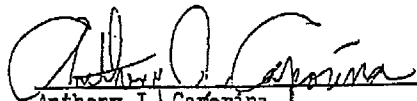
(1) The remainder of these By-Laws shall be considered valid and operative, and

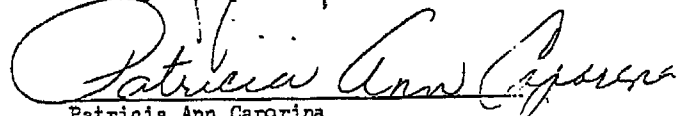
(2) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

#### Section 13.03. Table of Contents and Headings.

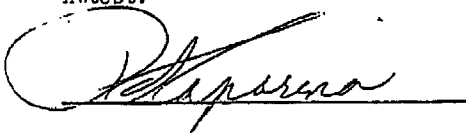
The table of contents and headings are for organization, convenience and clarity. In interpreting these By-Laws, they shall be subordinated in importance to the other written material.

Adopted by the Board of Directors on August 4th 1978.

  
\_\_\_\_\_  
Anthony J. Caporina

  
\_\_\_\_\_  
Patricia Ann Caporina

Attest:

  
\_\_\_\_\_