
BYLAWS
OF
ACADEMY RIDGE AT LANDIS LAKES HOIWEOWNERS
ASSOCIATION, INC.

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BYLAWS
OF
ACADEMY RIDGE AT LANDIS LAKES
HOMEOWNERS ASSOCIATION, INC.

1. IDENTIFICATION AND APPLICABILITY.

1.1 Description and Name. These Bylaws are adopted to govern the administration of Academy Ridge at Landis Lakes Homeowners Association, Inc. (the "Association"), a non-stock, nonprofit corporation which is composed of each Owner of a Lot in Phase I and all future platted Phases and/or Sections in Academy Ridge at Landis Lakes residential subdivision (the "Community"), as created by Dominion Homes of Kentucky, Ltd., a Kentucky limited partnership, by a subdivision plat to be recorded in the Office of the Clerk of Jefferson County, Kentucky. Certain capitalized terms used herein without definition shall have the meanings ascribed to them in accordance with Section 2 below or as ascribed to them in the "Declaration" (as hereinafter defined).

1.2 Purposes of Association. The Association, acting through its Board of Directors (the "Board"), and in accordance with the Declaration of Covenants, Conditions and Restrictions dated February , 2001, to be recorded in the Office of the Clerk of Jefferson County, Kentucky (the "Declaration"), the Articles of Incorporation of the Association these Bylaws, and any Rules and Regulations adopted by the Association (the "Governing Documents"), and through its officers, shall govern the affairs, including the use of Common Areas, of the Community and provide for the harmonious use thereof,

1.3 Member's Qualifications. Each Owner of a fee simple interest in a Lot, and only such Owner of record (an "Owner"), shall be a member of the Association (a "Member"). Any person or entity, on becoming a record Owner of a Lot, shall automatically become a Member and be subject to these Bylaws, and membership in the Association shall terminate without any formal action by the Association when such person or entity ceases to be an Owner, but such termination shall not relieve or release such former Owner from any liability or obligation incurred or arising during the period of such membership or impair any rights and remedies which the Association or others may have against such former Owner arising out of or connected with such former Owner's membership in the Association.

1.4 Application to Other Persons. All of the Owners, future owners, mortgagees, tenants, future tenants, or their guests and invitees, and any other person who may use or occupy a Lot or any common areas in the Community, shall be subject to the terms and conditions of all instruments affecting such Lot and the common areas, as well as to the provisions of all the Governing Documents, as they may be amended from time to time.

2.CERTAIN DEFINITIONS. The following terms used herein shall have the meanings set forth below. Other terms and phrases are defined elsewhere in these Bylaws. Certain capitalized terms used herein without definition shall have the meanings ascribed to them in the Declaration.

2.1 Annual Budget. "Annual Budget" shall have the definition given in Section 8.2 hereof.

2.2 Common Expenses. "Common Expenses" shall mean and include all expenses, including, without limitation, expenses for accounting; legal, architectural, or other professional or service fees; an amount for working capital of the Association; an amount for a general operating reserve; an amount for a reserve fund for replacements; an amount for a reserve fund for capital expenditures; an amount to make up any deficit in the Common Expenses for any prior Fiscal Year; and any amount required or authorized to be spent by the Governing Documents by or on behalf of the Association, its Directors and its Officers.

2.3 Developer. Dominion Homes of Kentucky, Ltd. and any joint venture or joint venturer (or its or their successor), in which Dominion Homes of Kentucky, Ltd. is a partner.

2.4 Governing Documents. "Governing Documents" shall have the meaning given such term in Section I.2 hereof.

2.5 Member. - "Member" shall have the meaning given such term in Section 1.3 hereof.

2.6 Owner. "Owner" shall have the meaning given such term in Section 1.3 hereof.

3.REGISTERED AND OTHER OFFICES.

3.1 Registered Office. The Association shall maintain a registered office in the Commonwealth of Kentucky as required by the Kentucky Business Corporation Act (the "Act"). The address of the registered office may be changed from time to time.

3.2 Principal Office. The office of the Association and of the Board shall be located initially at 1219 South Hurstbourne Parkway, Louisville, Kentucky 40222, and thereafter at such other office as the Board may determine from time to time.

3.3 Other Offices. The Association may also have offices at such other places both within and without the Commonwealth of Kentucky as the Board may from time to time determine or the business of the Association may require.

4. MEETINGS OF MEMBERS OF THE ASSOCIATION.

4.1 Initial Meeting. The Developer shall notify the Members of the time and place of the first annual meeting (the "Initial Meeting") of Members, which shall be held in the calendar year after at least 75% of the Lots in the Subdivision have been purchased by homeowners, i.e. not

builders. Until the Initial Meeting, the Developer shall appoint the Directors and attend annual meetings, as provided in the Governing Documents.

4.2 Annual Meetings. After the Initial Meeting is held, a meeting of the Members shall be held on the last Monday in March in each calendar year, or on such date within one month thereafter as may be designated by the Board, for the purpose of electing the Board (in accordance with the provisions of these Bylaws), considering the Annual Budget, and transacting such other business as may properly come before the meeting ("Annual Meeting"). The Board shall determine the date and time for the Annual Meeting-and shall give written notice to Members. No Annual Meeting shall be required to be held prior to the Developer's relinquishment of control of the Association.

4.3 Special Meetings. Special meetings of the Association may be called after the Initial Meeting by the President of the Association (the "President"), by a majority of the Board, acting with or without a meeting, or by Members entitled to exercise not less than ten percent (10%) of the total voting power of the Members (a ^N Special Meeting"). Upon delivery of a request in writing to the President or Secretary of the Association by persons entitled to call a Special Meeting, the President or Secretary shall give notice to the Members in accordance with these Bylaws. If such request is refused, then the persons making the request may call a meeting by giving the proper notice.

4.4 Notice and Place of Meetings. Any meetings of the Members may be held at any suitable place in the City of Louisville or Jefferson County, Kentucky as may be designated by the Board. Written notice stating the date, time and place of any meeting, and in the case of a Special Meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary, President or the Vice President of the Association (the "Vice President"), at Least ten (10) and not less than sixty (60) days before the meeting, to each Member of record at the address of the Member at the Community (unless such Member shall have specified a different address for notices by notice theretofore given in writing to the attention of the Secretary, in which event the notice of the meeting of Members shall be mailed to such Member at such different address). The mailing of a notice of meeting in the manner provided in Section 5.11 hereof shall be considered service of notice. The Association shall have no obligation to perform research or investigations beyond its records to ascertain the identity or address of any Member. If a meeting is adjourned to another time or place, no further notice need be given if the time and place of the adjourned meeting are fixed and announced at the meeting. If a transfer of ownership of a Lot occurs after notice of a meeting has been given, but prior to the holding of the meeting, the Association shall not be required to serve notice on the transferee.

4.5 Waiver of Notice Any Member may waive notice of any and all meetings in writing before or after a meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance at a meeting by a Member or their authorized representative, in person or by proxy, without objection to such Member's not having received proper notice of the meeting shall be deemed a waiver of the right to receive notice of that meeting.

4.6 Record Date. The Board may set a record date for determining the Members who are entitled to receive notice of or to vote at any meeting of the Members, which record date shall not

be earlier than forty-five (45) days preceding the meeting. If no record date is fixed by the Board, the record date for determining the Members who are entitled to receive notice of or who are entitled to vote at a meeting of Members shall be the business day next preceding the day on which notice is given or the meeting is held, as the case may be. In any case in which a person's or entity's right to vote is questioned or disputed, the person wishing to vote shall have the burden of proving the right to vote.

4.7 Voting.

(a) Developer Control Notwithstanding anything here into the contrary, Developer shall be entitled to exercise one hundred percent (100%) of the total voting power of the Members of the Association on each matter properly submitted to the Members for their vote, consent, waiver, release or action, until such time as the Developer elects to relinquish its voting right, which relinquishment shall take place not later than the date that the Developer ceases to own the fee simple title to at least one Lot in the Subdivision. Developer, including Directors appointed and employed by the Developer, shall have no liability and shall be indemnified and held harmless by the Association for events occurring after the relinquishment of voting control. Assessments shall be paid by each Member when due without regard to the right of a Member to vote.

(b) Member Control at such time as the Developer elects to relinquish its voting right, the Owner of each Lot shall be entitled to one vote on each matter properly submitted to the Members for their vote, consent, waiver, release or other action. If a Lot is owned by two or more persons, there shall be only one voting representative entitled to cast the vote allocable to that Lot. No vote shall be split.

(c) Multiple Member. Where a Member consists of more than one person, or there is a partnership, the Association shall be notified in writing of the identity of the designated voter, and of any changes in such identity from time to time occurring. The designated voter shall be appointed by a certificate signed by all general partners or joint venturers, as the case may be, except that the Association may rely on a certificate signed only by the managing general partner of a general Or. limited partnership, provided the managing general partner affirms in such certificate that the partnership has more than five general and/or limited partners, and provided such signature of the managing general partner is attested to be that of the managing general partner of such partnership by the verified statement of at least two other general and/or limited partners of such partnership.

(d) Voting by Corporation or Trust. Where a corporation, trust or other entity is a Member or is otherwise entitled to vote, the trustee, manager, officer or other representative (who is duly empowered to vote) shall cast any votes to which the entity is entitled. If the Member is a manager-managed limited liability company ("LLC"), the Association may rely on a certificate signed only by the manager of the LLC, provided such signature of the manager is attested to be that of the manager of such LLC by the verified statement of at least one other member of such LLC.

(e) Voting by Fiduciaries. Fiduciaries and minors who are Owners of record of a Lot may vote in their respective interests as Members.

(f) Proxy. A Member may vote either in person or by its duly authorized and designated attorney-in-fact. Where voting is by proxy, the Member shall duly designate his attorney-in-fact in writing and such written designation shall be delivered to the Secretary of the Association prior to or at the commencement of the meeting. No proxy shall be valid after the expiration of eleven months from its date of execution unless the Member executing it has specified therein the length of time that it is to continue in effect.

(g) Quorum. A quorum for any meeting of Members shall be that number of Members who are entitled to vote who are present, in person or by proxy, at a meeting, and, except as hereinafter provided, all actions shall be taken upon the majority vote of all Members present. No action required by law, the Restrictions, the Articles or these Bylaws that must be authorized or taken by those Members exercising not less than a designated percentage of the total voting power may be authorized or taken by a lesser percentage. Those Members entitled to vote who are present in person, and represented by proxy at a meeting may adjourn the meeting from time to time, and at the adjourned meeting, any business may be transacted as if the meeting had been held as originally Called.

(h) Conduct of Annual Meeting. The President shall serve as Chairman of the Annual Meeting and in his absence the Vice President shall serve. The Chairman shall call the Annual Meeting to order at the duly designated time and business will be normally conducted in the following manner:

(i) Reading of Minutes. The Secretary shall read the minutes of the last Annual Meeting and the minutes of any Special Meeting held subsequent thereto, but such reading may be waived upon motion.

(ii) Treasurer's Report. The Treasurer shall report to the Members concerning the financial condition of the Association, and answer relevant questions of the Members concerning the Common Expenses and financial report for the prior Fiscal Year and the proposed Annual Budget for the current Fiscal Year.

(iii) Annual Budget. The proposed Annual Budget for the current Fiscal Year shall be presented to the Members by the Board. The Board shall also present the aggregate amount proposed for the Annual Assessments for the next Fiscal Year, which amount shall equal the amount required by the Annual Budget, including reserve requirements.

(iv) Election of Directors. Nominations for the Board may be made in accordance with the provisions of Section 5.3 of these Bylaws. Voting for the Board will be by paper ballot unless a majority of the Members present waive voting by paper ballot and approve another form of voting. The ballot shall contain the name of each person nominated to serve as a Board member. Each Member may cast one vote for as many nominees as are to be elected. No Member may cast more than one vote for any nominee. Those candidates receiving the greatest percentage of votes cast shall be elected.

(v) Other Business. Other business may be brought before the meeting only if accepted and ruled in order by the Chairman of the Meeting, or which is pursuant to written request submitted to the Secretary of the Association at least three days prior to the date of the meeting.

(i) Action by Members. Except as otherwise required or permitted by the express provisions of the Governing Documents, provided a quorum of Members exists at a meeting, the vote of the Members owning a majority of the Lots shall be sufficient and necessary to constitute action by the Members. Any action which may be authorized or taken at a meeting of Members may be authorized or taken without a meeting by consent signed by Members exercising a majority of the voting power of all Members, or such greater proportion thereof as may be required by law, the Restrictions, the Articles or these Bylaws. Any vote which may be taken at a meeting of Members may also be conducted by mail. In that event, ballots shall be mailed to all persons and entities who are Members of the Association at the time of the mailing, and approval shall be required from a majority of the voting power of all Members or from such greater proportion as may be required by law, the Restrictions, the Articles or these Bylaws. Adequate records of the manner and results of each vote conducted by mail shall also be filed with the records of the Association.

5. BOARD OF DIRECTORS.

5.1 Number and Eligibility. The affairs of the Association shall be governed and managed by the Board of Directors (herein collectively called the "Board" or "Directors" and individually called "Director"). The Board of Directors shall be composed of three persons. A Director need not be a Member of the Association. Also, any Owner or representative of an Owner who is thirty (30) days or more in arrears in Annual or Special Assessments will not be eligible to serve or to continue to serve as a Director.

5.2 Initial Board of Directors. The initial Board of Directors shall be appointed by the Developer. Notwithstanding any other provisions in these Bylaws, the initial Board shall hold office until the Initial Meeting of the Members.

5.3 Nomination of Directors. Nomination of Directors Candidates for election as Directors may be selected by a Nominating Committee formed in accordance with the provisions of Article 7 of these Bylaws. The Nominating Committee may nominate as many candidates as it wishes, provided that it shall nominate not less than the number of Directors to be elected. Candidates may also be nominated from the floor of any meeting held for the purpose of electing a Director(s).

5.4 Term of Office. At the Initial Meeting of the Members, each Director shall be elected to serve until the next annual meeting of the Members. Thereafter, the Board shall be elected at each annual meeting of the Members.

5.5 Vacancy. A vacancy occurring on the initial Board, for any reason, shall be filled by the Developer. A vacancy occurring on any Board subsequent to the initial Board, for any reason, shall be filled by the remaining Directors. If the remaining Directors cannot agree on a person to fill the

vacancy within thirty (30) days after it is created, the remaining Directors shall call a special meeting of the Members of the Association to fill the vacancy, and such meeting shall be held within sixty (60) days after the vacancy is created. A Director elected to fill a vacancy shall hold office for the unexpired term of the Director who did not serve for his whole term of office and until his successor is elected and qualified.

5.6 Removal of Director. Any Director, except the initial Directors, may be removed with or without cause at a special meeting of the Members called for that purpose by the affirmative vote of those Members entitled to vote not less than seventy-five percent (75%) of the voting power of all Members.

5.7 Duties of the Board of Directors. The Board shall provide for the management, administration, operation, maintenance, repair, upkeep and replacement of the Common Areas, common area facilities and common improvements, and the collection and disbursement of the Common Expenses, as hereinafter defined. These duties may include, but are not limited to:

- (a) management, maintenance, repair and replacements of the Common Areas;
- (b) procuring of utilities used in connection with the common facilities, removal of garbage and waste, and snow removal from the Common Areas and, if the Board deems prudent, from public streets in the Community;
- (c) landscaping, painting, decorating, and furnishing of the Common Areas;
- (d) maintaining Common Area sidewalks;
- (e) assessment and collection from the Owners of their pro rata share of the Common Expenses;
- (d) preparation of the Annual Budget;
- (g) preparing and delivering annually to the Members a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Member as soon as possible after the end of each fiscal year;
- (h) keeping a current, accurate and detailed record of receipts and expenditures affecting the Community, specifying and itemizing the Common Expenses, All records and vouchers shall be available for examination by a Member upon reasonable notice during normal business hours;
- (i) to procure fire and extended coverage insurance covering any improvements on or to the Common Areas to the full replacement value thereof and to procure public liability and property damage insurance and workmen's compensation insurance, if necessary, for the benefit of the Owners and the Association; and,

- (j) assessment and collection of special assessments from any or all of the Owners.

5.8 Powers-of the Board. The Board shall have all powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) to employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

(b) to purchase for the benefit of the Association such equipment, materials, labor, and services as may be necessary in the judgment of the Board;

(c) to employ legal counsel, architects, contactors, accountants, and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of the Association;

(d) to include the costs of all of the above and foregoing as a Common Expense;

(e) to open and maintain one or more bank accounts in the name of the Association;

(f) to determine rules and procedures for hiring and firing of personnel necessary for the maintenance, repair and replacement of Common Areas and for approving the payment of vouchers, invoices and the like;

(g) to adopt, revise, amend and alter from time to time reasonable Rules and Regulations with respect to use, occupancy, operation, and enjoyment of the Common Areas;

(h) to grant easements and other rights over the Common Areas;

(i) to impose non-discriminatory fines upon any Owner or Owners if they, or any members of their family, guests or invitees, shall violate any rules or regulations adopted by the Association, which fine shall be collectible by the Association in the same manner as payment of the Annual Assessment is collectible, and which fine shall be secured by a lien on the Owner's Lot and subject to late charges and interest to the same extent as a late payment of the Annual Assessment; and,

(j) to do such other acts and things as are in the best interest of the Owners of a majority of Lots and which are not contrary to law.

5.9 Limitation on Board Action. The authority of the Board to enter into contraction behalf of the Association shall be limited to contracts involving a total expenditure of less than \$2,500.00 without obtaining the prior approval of the Members at a meeting thereof, except in the following cases:

(a) contracts for replacing or restoring portions of the Common Areas damaged or destroyed by fire or other casualty unless all the buildings are totally destroyed; and

(b) proposed contracts and proposed expenditures expressly set forth as provided for in the Annual Budget, which shall include but not be limited to the compensation of the Managing Agent, ongoing contracts of all kinds, maintenance contracts, landscape contracts, contracts for improvements which have been approved by the Members and contributions to reserve accounts.

5.10 Compensation. No Director shall receive any compensation for his services as a Director of the Association. However, any Director may serve the Association in any other capacity and may receive compensation therefor; subject to the requirements and limitations set forth in the Association's Articles of Incorporation.

5.11 Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the President or a majority of the Board. After relinquishment of control of the Association by the Developer, the Board shall meet at least once during each quarter of the calendar year. The President or Secretary shall give notice of the time and place of all meetings, regular and special, to each Director not less than two nor more than twenty (20) days before the meeting. Annual meetings of the Board may be held without notice immediately following the annual meeting of the Members, at the same place as the annual meeting of Members, for the purpose of electing or appointing officers for the ensuing year and for the transaction of such other business as may properly come before the meeting. Notice of adjourned meetings need not be given.

Special meetings of the Board may be called by the President or any two Directors, the person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail and at least three days prior to the date of such special meeting, give notice to the Directors. The notice of the meeting shall contain a statement of the purpose or purposes for which the meeting is called. Any regular or special meeting shall be held at such place and at such time as shall be designated in the notice.

5.12 Waiver of Notice. Any Director may, in writing, waive notice of a meeting, either before or after the meeting is held, and such waiver shall be deemed equivalent to the receipt of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at the meeting of the Board, or if those not present shall waive notice of the meeting or shall consent to the actions taken at the meeting, notice shall not be required and any business may be transacted at such meeting.

5.13 Quorum; Board Action. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be sufficient and necessary to constitute action by the Board. Directors constituting less than a quorum may adjourn a meeting, from time to time, and at adjourned meetings, any business may be transacted as if the meeting had been held as originally called.

5.14 Written Action of the Board. Any action which may be authorized or taken at a meeting of the Board, may be authorized or taken without a meeting by written consent signed by all members of the Board, which consent shall be filed with the records of the Association.

5.15 Non-Liability of Directors. The Directors shall not be liable to the Members or any other persons for any error or mistake in judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association may indemnify and hold harmless each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of law. The Association shall if reasonably available carry liability insurance for the Board. The cost of such insurance shall be included as part of the Common Expenses. It is intended that the Directors shall have no personal liability with respect to any contract made by them in good faith on behalf of the Association. The Owners shall be subject to special assessment for sums necessary for the Association to pay the aforesaid indemnity in favor of the Directors. Every contract made by the Board or the Managing Agent on behalf of the Association shall be in the name of the Association.

5.16 Additional Indemnity of Directors and Officers. The Association may indemnify any person, his heirs, assigns and personal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director or an "Officer" (as hereinafter defined) of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal thereon, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence or willful misconduct in the performance of his duties. The Association may also reimburse to any such Director or Officer of the Association the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Members that such Director or Officer was not guilty of gross negligence or willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director or an Officer, no Director or Officer shall be considered or deemed to be guilty of or liable for negligence or willful misconduct in the performance of his duties where, acting in good faith, such Director or Officer relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director or Officer be deemed guilty of or liable for negligence or willful misconduct solely by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board.

5.17 Books and Records. The Board shall itself, or through the Managing Agent, make available to Members and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Governing Documents and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

6. OFFICERS.

6.1 Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer (each an "Officer;" and collectively with the additional officers elected pursuant to Section 6.7, if any, the "Officers"), all of whom shall be elected by the Board. The President must be a member of the Board; other officers need not be members or directors of the Association. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person. Compensation may be paid to the officers of the Association at the discretion of the Board.

6.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the initial meeting of each new Board. Upon an affirmative vote of a majority of all members of the Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

6.3 The President. The President shall be elected from among the members of the Board and shall be the chief executive officer of the Association. He shall preside as Chairman at meetings of the Association and of the Board, shall have and discharge all of the general powers and duties usually vested in the office of president or chief executive officer of an association or a non-profit corporation organized under the laws of Kentucky, including, but not limited to the power to appoint committees from the Members as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe,

6.4 The Vice President. The Vice President shall be elected by the Board, but need not be a member of the Board, and shall perform all duties incumbent upon the President during the absence or disability of the President. In the absence of the President, the Vice President shall preside as Chairman at meetings of the Members and of the Board. The Vice President shall also perform such other duties as these Bylaws may prescribe or as shall, from time to time, be delegated to him by the Board or by the President.

6.5 The Secretary. The Secretary shall be elected by the Board, but need not be a member of the Board. The Secretary shall attend all meetings of the Members and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed or delivered, in accordance with the provisions of these Bylaws and shall keep an accurate record of the names and addresses of the Members. Upon the expiration or termination of the Secretary's term of office, the Secretary shall deliver all books, records, documents and other property of the Association in the Secretary's possession or control to the newly elected Secretary or to the President.

6.6 The Treasurer. The Treasurer shall be elected by the Board, but need not be a member of the Board. The Treasurer shall receive and safely keep all money, securities and other valuables

belonging to the Association, or evidence thereof, and shall disburse the same under the direction of the Board. The Treasurer shall keep or cause to be kept, under the Treasurer's supervision, correct and complete books and records of account specifying the receipts and expenditures of the Association, together with records showing the allocation, distribution and collection of the assessments, fees, revenues and expenses among and from the Members, shall hold the same open for inspection and examination by the Board and the Members, and shall present abstracts of the same at annual meetings of the Members or at any other meeting when requested. In addition, the Treasurer shall perform any other duties which may be required by the Members or the Board. Upon the expiration or termination of the Treasurer's term of office, the Treasurer shall deliver all money and other property of the Association in the Treasurer's possession or control to the newly elected Treasurer or to the President. If required by the Board, the Treasurer shall give bond in such sum and such surety as the Board requires for the faithful performance of the Treasurer's duties.

6.7 Additional Officers. The Board may, from time to time, designate and elect additional Officers, including, but not limited to, Vice Presidents and an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as are set forth herein for such office. The Assistant Secretary and Assistant Treasurer shall have such powers and duties as the Officer whom they are elected to assist shall delegate to them, and such other powers and duties as these Bylaws or the Board may prescribe.

6.8 Delegation to Management Agent. The duties of the Secretary and/or the Treasurer may be delegated to a Managing Agent if one is then serving.

7. COMMITTEES. The Board may create one or more committees, each of which shall consist of at least three persons (including at least one member of the Board), and may delegate to any such committee any of the authority and power of the Board. Each committee shall serve at the pleasure of the Board and shall be subject to the control and direction of the Board. Any committee may act pursuant to the vote of a majority of its members at a meeting of the committee or by the unanimous written action of all of its members. Any such act or authorization of any committee, within the authority delegated to it by the Board, shall be as effective for all purposes as the act or authorization of the Board. Each committee shall establish its own procedures for scheduling and giving notice of its meetings, establishing agendas of its meetings, maintaining records of its meetings and actions and other administrative matters, subject to any procedures which may be established for that committee, or all committees, by the Board.

8. ACCOUNTING, BUDGETS AND ASSESSMENTS.

8.1 Annual Accounting. Annually, as soon as practicable after the close of each fiscal year, the Board shall cause to be prepared and furnished to each Member a financial statement prepared by the Developer or its successor, which statement shall show all receipts and expenses received, incurred and paid during the preceding calendar year. The Association shall furnish such financial statement for the preceding fiscal year free of charge to any holder, insurer or guarantor of a first mortgage who shall so request in writing

8.2 Proposed Budget. Annually, on or before the date of the Annual Meeting of the Members, the Board shall cause to be prepared a proposed budget for the ensuing or current Fiscal Year estimating the total amount of the Common Expenses for such Fiscal Year (the "Annual Budget"). the Board shall furnish a copy of such proposed Annual Budget to each Member prior to or at the Annual Meeting, during which the Members shall be given the opportunity to review and comment on the proposed Annual Budget. After the Annual Meeting, the Board may amend or adopt the proposed Annual Budget in whole or in part. Upon adoption by the Board, the Annual Budget shall be the basis for. the Annual Assessment for the next Fiscal Year.

8.3 Annual and Special Assessments. Common Expenses shall be assessed to the Owners, either as an Annual Assessment or as a Special Assessment (as each is defined below), equally with respect to each Lot which is subject to assessment, all as set forth below:

(a) An "Annual Assessment" is the assessment that shall be made for each Fiscal Year of the Association for all anticipated ongoing operating expenses of the Association, including reserves. The amount of the aggregate Annual Assessments shall be equal to the total amount of expenses provided for in the Annual Budget, including reserve items.

(b) A "Special Assessment" is an assessment that may be made for any unusual and/or extraordinary items, including capital expenditures, and any unanticipated items. Special Assessments shall be payable in such amounts and at such times as may be provided in the resolution or other formal proposal setting forth the terms of such Special Assessments.

(c) The Annual Assessment and all Special Assessments, together with interest, late charges, costs and reasonable attorneys' fees, shall be the personal and direct obligation of the Owner of a Lot at the time the assessment was payable and shall also constitute a continuing lien on the Lot upon which each such assessment is made as each installment of the assessment becomes payable.

8.4 Fiscal Year. The Fiscal Year of the Association shall commence on January 1 and end of December 31, but the Board may change such Fiscal Year.

8.5 Limitation on Assessments. During the Fiscal Years ending on or prior to January 1, 2002, the Annual Assessment (not including Special Assessments) shall be no more than \$ 150 per Lot per year payable in advance, annually. For the purposes of this Section any Lot re-acquired by the Developer after it has been sold shall be deemed not to be owned by the Developer.

8.6 Vote for Special Assessments. No Special Assessment shall be levied unless voted for by Members owning at least two-thirds (2/3) of the Lots, who are voting in person or by proxy at a meeting called for this purpose. However, Special Assessments required because of an insufficiency of insurance shall not require any action by the Members.

8.7 Notice of Meetings for Assessments. Written notice of any meeting other than the Annual Meeting which is called for the purpose of reviewing the Annual Budget and Annual

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property. In any such foreclosure the Owner shall be required to pay a reasonable rental for the use and occupancy of the Lot. The Association, upon the affirmative vote of Members owning 90% of the Lots (so authorizing and setting up a special assessment to pay for the same), shall have the power to bid on the Lot at any foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

8.11 Liability of Grantee In a voluntary conveyance of a Lot other than a deed in lieu of foreclosure, the grantee of the Lot shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the Common Expenses or for special assessments up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Upon the request of any Owner, purchaser or Mortgagee, the Secretary or other authorized owner of the Association or the Managing Agent shall provide within seven days of the request, a statement of the amount of current and delinquent assessments by the Association, including fines and charges, against a particular Lot. The Association may charge a reasonable charge for such statement if permitted bylaw and it may require the Owner to confirm that the person requesting the statement is a Mortgagee or purchaser of or from the Owner. Once having been furnished with such a statement, such person (other than the delinquent Owner) shall not be liable for, nor shall the Lot conveyed by subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth, plus costs of collection of such sums, if applicable.

8.12 Failure of Owner to Pay Assessments. Each Owner shall be personally liable for the payment of all Annual and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. The Association may, at the Board's discretion, bring a suit to recover a money judgment for any unpaid Annual or Special Assessments without foreclosing or waiving the lien securing the same, or it may bring a joint action to recover money damages and to foreclose its lien on the Lot.

9. AMENDMENT TO BYLAWS. These Bylaws may only be amended by a vote of Members owning not less than sixty-seven percent (67%) of the Lots of the Subdivision, including Lots in Sections hereinafter created, voting in person or by proxy at an Annual Meeting or a duly constituted Special Meeting called for such purpose.

10. MISCELLANEOUS.

10.1 Notices. All notices required to be given to the Board pursuant to any provision of any of the Governing Documents shall be given to each Director by hand delivery or first class mail or fax. All notices required under the provisions of any of the Governing Documents to be given to any Member shall be in writing and hand delivered or sent by first class mail, to any Lot owned by the Member at the Community, or to such other address as may have been designated by such Member to the Board from time to time by notice given to the Board in accordance with this Section. All notices hand delivered shall be deemed to have been given when delivered personally to such Member. All notices sent by mail shall be deemed to have been given when mailed, except notices of change of address, which shall be deemed to have been given when received.

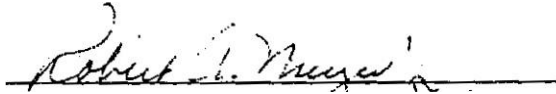
10.2 Notice to Mortgagee. Any Owner who places a first mortgage lien upon his Lot may notice the Secretary of the Association or the Managing Agent and provide the name and address of the Mortgagee, or the Mortgagee may do so, with a statement as to whether notices are to be sent to the Mortgagee. A record of such Mortgagee and its name and address shall be maintained by the Secretary or the Managing Agent and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration or these Bylaws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record at the time provided, or as to which the Association is later notified in writing. Unless notification of any such mortgage and the name and address of the Mortgagee are furnished to the Secretary or the Managing Agent, either by the Owner or the Mortgagee, no notice to the Mortgagee as may otherwise be required by the Declaration or these Bylaws shall be required.

10.3 Construction Unless the context specifically requires otherwise any reference in these Bylaws to any gender shall include all other genders, any reference to the singular shall include the plural and any reference to the plural shall include the singular.

10.4 Headings. The headings in these Bylaws are included for purposes of convenience only and shall not be considered a part of these Bylaws in construing or interpreting any provision hereof.

10.5 Severability of Provisions. If any provision of these Bylaws, or its application to any person or circumstance, is held invalid or unenforceable by a court of competent jurisdiction, the remainder of these Bylaws, or the application of such provision to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and to this extent the provisions of these Bylaws are severable.

The above Bylaws of this Corporation were adopted by the Board on February 21, 2001.


Robert A. Meyer, Jr., Secretary