

BY-LAWS

OF

NORTHBAY PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location

Section 1. Name and Location. These are the By-Laws of and for the Mississippi nonprofit and non-share corporation named:

NORTHBAY PROPERTY OWNERS ASSOCIATION, INC.

Said corporation is referred to herein at times as the "Association". The principal office of the Association is located at 202 North Congress Street, #302, Jackson, Mississippi 39201, Mississippi and the mailing address is 202 North Congress Street, #302, Jackson, Mississippi 39201.

ARTICLE II

Definitions

Section 1. Declarant. "Declarant", as used herein, means Northbay, Ltd., a Mississippi Limited Partnership, its successors and assigns.

Section 2. Project. The word "project" and the word "community" as used herein, mean that certain community known generally as "Northbay" being developed by the Declarant and others in Madison County, Mississippi.

Section 3. Declaration. "Declaration", as used herein, means that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions" under date of September 17, 1987, filed for record in the office of the Chancery Clerk of Madison County at Canton, Mississippi, on October 2, 1987, and appearing of record in the land records in said Chancery Clerk's office in Book 633 at beginning on Page 76, as supplemented by that First Supplement to Declaration of Covenants, Conditions and Restrictions for Northbay made October 7, 1987, and of record in the Office of the aforesaid Chancery Clerk in Book 634 at Page 385, and as may be further supplemented or amended.

Section 4. Board of Directors. "Board of Directors", as used herein, means the Board of Directors of the Association.

Section 5. Charter. "Charter", as used herein, means the Charter of Incorporation of the Association.

Section 6. President, Vice President, Secretary and Treasurer. The words "President", "Vice President", "Secretary" and "Treasurer", as used herein, mean, respectively, the President, Vice President, Secretary and Treasurer of the Association.

Section 7. Other Definitions. Unless a different meaning is apparent from the context, all other expressions used herein shall have the same meaning as they are defined to have in the Declaration, except that the word "herein" as used in these Bylaws, shall mean in these Bylaws.

ARTICLE III

Membership and Voting Rights

Section 1. Membership. The Members of the Association shall be and consist of each and all of the following, to-wit:

(a) Every person who is, or who hereafter becomes, an owner of record of the fee title to or leasehold interest in a Lot. The expression "owner of record of the fee title to or leasehold interest in a Lot" shall include a contract seller of any such interest, but shall not include any person who owns such title solely as security for the performance of an obligation or payment of a debt.

(b) The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Members other than persons herein defined as "Declarant," who is or who hereafter becomes the Owner of or holder of a leasehold interest in a Lot shall be a Class A Member of the Association.

Class B. The Class B Member(s) shall be each of the persons herein defined as "Declarant," and the nominee or nominees, if any, of each such person, shall be Class B Members of the Association.

Section 2. Voting Rights. Each Member shall have one vote in the election of each officer of the Association. For all other purposes, the voting rights of the Members shall be by class of membership, and shall be as follows, to-wit:

(a) Class A Members. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such

Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be case with respect to any such Lot.

(b) Class B Members. The Class B Member(s) shall be entitled to three (3) votes for each Lot in which Declarant holds the interest required for membership. When the total votes outstanding in the Class A membership equal the votes outstanding in the Class B membership, then the Class B membership shall cease and be converted into Class A membership.

Section 3. Memberships Appurtenant to Real Property. In every case, the membership of both Class A and Class B Members shall be appurtenant to the ownership of or leasehold interest in a Lot. A membership shall not be held, assigned, transferred, pledged, hypothecated, encumbered, conveyed or alienated in any manner except in conjunction with and as an appurtenance to the ownership, assignment, transfer, pledge, hypothecation, encumbrance, conveyance, or alienation of the Lot to which the membership is appurtenant.

Section 4. Termination and Reinstatement of Class B Members. If on any one or more occasions all Class B memberships should terminate, and if after any such termination any one or more of the Declarants, by annexation to the Property in accordance with the Declaration, should add additional property to the property theretofore subject to the Declaration, and as a result of such annexation the Declarant owns or has a leasehold interest in more than one-fourth of the lots (including the annexed property), then on each such occasion the status of the Declarants as Class B Members shall be fully reinstated as to any lots owned or leased under Lease by the Declarant, and following each such occasion the Declarant, or the nominee or nominees, if any, of the Declarant, shall continue to be Class B Members until such time as the total votes outstanding of Class A and Class B Members resulting from the newly added property have been equalized. At such time the Class B membership resulting from such addition shall cease and be converted to Class A memberships. Following each such reinstatement of the Class B memberships, and for so long thereafter as the Class B memberships shall continue to exist, the Declarants, and the nominee or nominees, if any, of the Declarants, shall have all the rights and powers of Class B membership, as herein prescribed.

Section 5. Other Voting Provision. If the fee title to a particular Lot is owned of record or a leasehold interest therein is held by more than one person or entity, then the vote appurtenant to such Lot may be exercised by any one of the fee owners thereof, unless the other owner or owners of such fee title shall object prior to the completion of voting upon the particular matter under consideration. In the case of any such objection, the vote appurtenant to said Lot shall not be counted.

Section 6. No Pre-emptive Rights. The Members of the Association simply by virtue of being such Members, shall have no pre-emptive rights to acquire any additional memberships which the Association may issue from time to time.

Section 7. Membership Certificates. In the event the Board of Directors should consider it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Association is organized under the laws of the State of Mississippi, and shall state the name of the registered holder or holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to or leasehold interest in the Lot to which such membership is appurtenant. Every membership certificate shall be signed by the President or Vice President and the Secretary or an Assistant Secretary and shall be sealed with the corporate seal. Such signatures and seal may be original or facsimile.

Section 8. Lost Certificates. The Board of Directors may direct that a new certificate or certificates be issued in place of any membership certificate or certificates previously issued by the Association and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered holder of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association on account of the issuance of such new certificate.

ARTICLE IV

Meetings of Members

Section 1. Place of Meeting. Meetings of the Members shall be held at the principal office or place of business of the Association, or at whatever other suitable place or places within the State of Mississippi as are reasonably convenient to the membership as may be designated by the Board of Directors from time to time.

Section 2. Organizational Meeting. The organizational meeting of the Members shall be held at whatever time and place as may be designated by the initial Board of Directors named in the Charter, and shall be

held within no more than sixty (60) days following the issuance of the Charter.

Section 3. Annual Meetings. The first annual meeting of the Members shall be held at whatever time and place as may be designated by the initial Board of Directors named in the Charter; provided, however, that the first annual meeting of Members shall be held within no more than one (1) year after the date of issuance of the Charter; thereafter the annual meeting shall be held at 7:00 p.m. on the third Tuesday of March in each succeeding year. At such annual meetings, there shall be elected by ballot of the Members a Board of Directors in accordance with the provisions of Article V of these By-Laws, and officers of the Association in accordance with the provisions of Article VI of these By-Laws. The Members also may transact such other business as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Members whenever such is directed by resolution of the Board of Directors, or whenever such is requested by a petition presented to the Secretary after first having been signed by at least twenty percent (20%) of the Members of each then outstanding class of membership; provided, however, that no special meetings shall be called, except upon resolution of the Board of Directors, prior to the first annual meeting of the Members as hereinabove provided. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except such as is stated in the notice.

Section 5. Notice of Meetings.

(a) It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where the meeting is to be held, to each Member of record, at his address as it appears on the membership roster of the Association or, if no such address appears, at his last known address, at least fifteen (15) but not more than sixty (60) days prior to such meeting. Any notice so mailed shall be considered as a notice properly served. Attendance by a Member at any meeting of the Members shall be a waiver by him of notice of the time, place and purpose thereof. Notice of any annual or special meeting of the Members also may be waived in any other manner by any Member either prior to, at or after any such meeting.

(b) Meetings at which any action is authorized pursuant to Sections 3 and 4 of Article IV of the Declaration must be held in not less than fifteen (15) nor more than sixty (60) days notice to all Members.

Section 6. Roster of Membership. The Secretary shall maintain a current roster of the names and addresses of the Members of the

Association. Each Member, upon becoming a Member, shall furnish the Secretary with his current mailing address, and thereafter shall notify the Secretary immediately in writing of any change or changes in his current mailing address.

Section 7. Quorum.

(a) The quorum required for any action referred to in Section 5 (b) of this Article shall be as follows:

At each meeting called, as hereinafter provided, the presence at the meeting of Members, or of proxies, entitled to cast not less than forty percent (40%) of all votes of each class of membership at the meeting. The assessment may be approved by the assent of two-thirds (2/3rds) of each class of members who are voting in person or by proxy at such meeting. Notwithstanding any provision of these Bylaws to the contrary, any action referred to in Section 5(b) of this Article may be taken with the assent given in writing and signed by two-thirds (2/3rds) of each class of membership.

(b) Quorum and voting requirements for all meetings of members other than as described in paragraph (a) of this Section shall be as follows:

The presence, either in person or by proxy of Members having at least thirty percent (30%) of the votes held by all Members in each then outstanding class of membership shall constitute a quorum for the transaction of business at any such meeting of Members.

(c) As used in this section, "votes" shall mean the votes held by members for purposes other than the election of officers of the Association.

Section 8 Adjourned Meetings. If at any particular meeting of Members, the number of members present should be less than or should fall below the number required for a quorum with respect to any one or more of the then outstanding classes of membership (considered separately), and if such deficiency is brought to the attention of the presiding officer by a proper call or request for a determination of quorum (which call and the results thereof shall be shown on the Minutes of the meeting), then no further business may be transacted at such meeting until the proper quorum is present. In such an event, one additional meeting may be called subject to the notice requirements hereinabove set forth, and the required quorum at the subsequent meeting shall not be necessary. Such subsequent meeting shall be held not more than twenty-one (21) days following the initial meeting at which the quorum requirements were not met.

Section 9. Voting. At every meeting of Members, the Members shall have the voting rights specified in Article III above. The affirmative vote of the Members having at least fifty-one (51) percent of the total

number of votes represented at the meeting, in person or by proxy, shall be necessary to decide any question properly brought before the meeting, unless the question be one as to which, by provision of law, or the Charter, or the Declaration, or these By-Laws, a different vote is required, in which case such provision of law, or the Charter, or the Declaration, or these By-Laws shall govern and control. In the event any membership is owned by a corporation, the vote or votes for such membership may be cast by an individual designated in a certificate signed by the president or any vice president of the corporation and attested by the secretary or any assistant secretary of such corporation and filed with the Secretary of the Association prior to or during the meeting at which the vote is to be cast. The vote or votes for any membership which is owned by a trust or partnership may be cast by any trustee of the trust or any partner of the partnership, as the case may be, and, unless another trustee of the trust or another partner of the partnership, as the case may be, shall object prior to the completion of voting upon the particular matter under consideration, the presiding officer of the meeting shall have no duty to inquire as to the authority of the individual casting any such vote or votes. No Class A Member who is shown by the books of the Association to be more than sixty (60) days delinquent in any payment due the Association shall be eligible to vote, either in person or by proxy, and no such delinquent Member shall be eligible to be elected to the Board of Directors or as an officer of the Association.

Section 10. Voting by Class. Whenever by law, or the Charter, or the Declaration, or these By-Laws, any action is required to be taken by a specified percentage of "each class of the then Members" of the Association, then such action shall be required to be taken separately by the specified percentage of the votes of the then outstanding Class A Members, and by the specified percentage of the votes of the then outstanding Class B Members. Whenever by law, or the Charter, or the Declaration, or these By-Laws, any action is required to be taken by a specified percentage of the "then Members" of the Association, then such action shall be required to be taken by the specified percentage of the votes of the then outstanding total membership of the Association.

Section 11. Proxies. A Member may appoint only another Member or the Management Agent as his proxy; provided that in no case may any Member other than a Declarant or the Management Agent cast more than one (1) vote on behalf of another Member by virtue of a proxy from such other Member. All proxies must be in writing and must be in such form as has been approved by the Board of Directors and must be filed with the Secretary prior to the appointed time of the meeting at which the proxy is to be exercised. Unless limited by its provisions to a shorter term, each proxy shall continue until revoked by a writing properly filed with the Secretary or by the death of the Member who gave the proxy, provided, however, that no proxy shall be effective for a period in

excess of one hundred eighty (180) days. All proxies shall automatically cease upon conveyance by the Member of his Lot.

Section 12. Rights of Mortgagees. Any holder of a Recorded First Mortgage on any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary to that effect by Registered Mail, Return Receipt Requested. Any such notice shall contain the name and post office address of such holders of Recorded First Mortgages and the name of the individual at such address to whom notices of the annual and special meetings of the Members should be directed. The Secretary shall maintain a roster of all holders of Recorded First Mortgages from whom such notices have been received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual and special meeting of the Members to each such holders of Recorded First Mortgages, in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Members. Any such holders of Recorded First Mortgages shall be entitled to designate a representative to attend any annual or special meeting of the Members and such representative may participate in the discussion at any such meeting and, upon his request made to the presiding officer in advance of the meeting, may address the Members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary.

Section 13. Order of Business. The order of business at all regularly scheduled meetings of the Members shall be as follows:

- (a) Roll Call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and approval of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Unfinished business.
- (g) New Business.
- (h) Election of directors.
- (i) Election of officers.
- (j) Adjournment.

In the case of special meetings, Item (a) through (d) above shall be applicable, and thereafter the agenda shall consist of the items specified in the notice of the meeting.

Section 14. Rules of Order and Procedure. The rules of order and all other matters of procedure at all annual and special meetings of the Members shall be determined by the presiding officer of such meeting.

ARTICLE V

Directors

Section 1. Number and Qualifications. The affairs of the Association shall be managed and controlled by the Board of Directors. Prior to the first annual meeting of Members, the Board of Directors shall consist of the five individuals named as initial Directors in the Charter, said five individuals being L. C. Cheramie, Velma Davie, J. A. Brown, Nita Cheramie and Iris W. Brown. Following the first annual meeting of Members, the Board of Directors shall consist of no less than three nor more than nine individuals, who shall be elected as prescribed by these By-Laws. Directors need not be Members of the Association.

Section 2. Term of Office. Directors shall be elected for one year at annual Members' meetings and shall serve until their successors shall be elected and qualified in accordance with the By-Laws.

Section 3. Change in Number. The number of Directors may be changed from time to time by appropriate amendment to these By-Laws, provided, however, that the number of Directors shall never be less than three nor more than nine, and provided further that a decrease in the number of Directors shall not operate to shorten the term of any incumbent Director.

Section 4. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 5. Election of Directors. Directors shall be elected by the Members and shall be elected at the annual Members' meetings, or in the event of a vacancy, either at the next ensuing annual Members' meeting or at a special Members' meeting called for that purpose. The election of Directors shall be by secret written ballot, unless such be dispensed with for any particular election by the unanimous consent of the Members present, in person or by proxy, at the meeting during which the election is held. Each Director shall hold office until his successor has been elected at the next ensuing annual Members' meeting and has duly qualified.

Section 6. Powers and Duties. In the management and administration of the Association's affairs, the Board of Directors shall have power,

authority and duty to do all acts and actions, except acts and actions which by law, the Declaration, the Charter or these Bylaws may be exercised only by or are reserved only to the Members. Such power, authorities and duties of the Board of Directors to create, establish or approve policies or decisions relating to the management and administration of the Association's affairs include, but shall not be limited to, the following:

(a) To provide for the maintenance, care, upkeep, surveillance, services and efficient operation of the Common Area and Common Facilities.

(b) To establish, determine, assess, collect, use and expend the Assessments from the Members, and to file and enforce liens for such Assessments.

(c) To select, designate, train, hire, supervise and discharge personnel necessary or appropriate for the proper maintenance, care, upkeep, surveillance, services and efficient operation of the Common Area and Common Facilities, and to establish the compensation and other benefits of or for such personnel.

(d) To adopt, promulgate and enforce such rules, regulations, restrictions and requirements as may be recommended by the Architectural Control Committee pursuant to Section 10.06 of the Declaration or the Management Agent pursuant to Section 4.04(d) of the Declaration, or as the Board of Directors may consider to be appropriate with respect to the Property, the Lots, the Leasehold Interests and any improvements on the Lots, including Dwellings, or the use, occupancy and maintenance of the Common Area and Common Facilities, including, but not limited to, rules, regulations, restrictions and requirements designed to prevent unreasonable interference with the use, benefit and enjoyment of the Common Area and Common Facilities by the Members and other authorized Persons, or to govern activities which may be environmentally dangerous or hazardous, including the use or application of fertilizers, pesticides and other chemicals in or on the Property.

(e) To authorize the payment of patronage refunds to the Members if and when the Board of Directors determine that the funds derived from assessments are more than sufficient sufficient to satisfy all reasonably foreseeable financial needs or requirements of the Association during the current fiscal year, including funds for reserves.

(f) To purchase insurance upon the Common Area and Common Facilities.

(g) To maintain, repair, restore, reconstruct or demolish all or any portion of the Common Area and Common Facilities after any casualty loss, and to otherwise improve the Common Area and Common Facilities.

(h) To lease and to grant licenses, easements, rights-of-way, and other rights of use in or option, sell, assign, exchange, trade, transfer, quitclaim, surrender, release, abandon, mortgage or encumber or otherwise convey all or any portion of the Common Area and Common Facilities upon such terms, conditions and provisions as the Board of Directors considers to be advisable, appropriate, convenient or advantageous for or to the Association.

(i) To lease as tenant, purchase or otherwise acquire Lots or Leasehold Interests and to option, lease, sell, assign, exchange, trade, transfer, quitclaim, surrender, release, abandon, mortgage or encumber or otherwise convey any of such Lots or Leasehold Interests upon such terms, conditions and provisions as the Board of Directors considers to be advisable, appropriate, convenient or advantageous for or to the Association.

(j) To retain or employ a Management Agent for such compensation and for the performance of such duties and services as established or prescribed by the Board of Directors from time to time.

(k) To negotiate, prepare, execute, acknowledge and deliver all contracts, agreements, commitments and other documents relating to the Association's affairs.

(l) To prosecute, defend, appeal, settle, compromise or submit to arbitration any suit, action, claim or proceeding at law or in equity or with or before any governmental agency or authority which involves or affects the Association, including the Common Area and the Common Facilities.

(m) To retain or employ and pay the fees, expenses or other compensation of accountants, attorneys, architects, contractors, engineers, consultants or other Persons who may be helpful, necessary, appropriate or convenient in or to the Association's affairs, whether or not related to or affiliated with any director or officer of the Association or any Member.

(n) Subject to Section 9.01(d) of the Declaration, to borrow any funds required for the Association's affairs from any Person on such terms, conditions and provisions as may be acceptable to the Board of Directors, and to secure the repayment of any such loans by executing deeds of trust or by pledging or otherwise encumbering or subjecting to security interest all or any portion of the assets of the Association, including the Common Area and Common Facilities.

(o) To establish rules, regulations, restrictions and requirements or fees and charges from time to time relating to the use of the recreational areas and amenities now or hereinafter located in or on the Common Area, including the Common Facilities.

Section 7. Vacancies. Should the office held by a Director become vacant, such vacancy shall be filled by an election at the next ensuing annual Members' meeting or at a special Members' meeting called for that purpose, and each individual so elected shall serve as Director until his successor has been elected at the next ensuing annual Members' meeting, and has been duly qualified.

Section 8. Removal of Directors. At any special Members' meeting duly called for such purpose, any Director may be removed from office, with or without cause, by the affirmative vote of a majority of the votes of the Members present and voting, in person or by proxy, at such meeting, and in the event of such removal, a successor to the Director thus removed may be elected then and there to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting called for the purpose of considering such removal. If any Director who is a Member becomes more than sixty (60) days delinquent in payment of any assessment or carrying charge owed the Association, he may be removed from his office as a Director by a resolution adopted by a majority of the remaining Directors, and in the event of such removal, said remaining Directors may appoint an individual to serve as his successor, in which event the individual so appointed shall serve as Director until the next ensuing annual Members' meeting.

Section 9. Compensation. Except upon resolution of at least two-thirds (2/3) of each class of the then Members of the Association, no compensation shall be paid to Directors for their services as Directors. After the first annual Members' meeting, no remuneration shall be paid to any Director who is also a Member for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before such services are undertaken. Directors may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Directors.

Section 10. Organizational Meeting. The first meeting of a newly constituted Board of Directors shall be held within ten (10) days after the annual Members' meeting at which the elected Directors on such Board were elected, and such first meeting shall be held at the principal office of the Association or at such other place as may have been fixed by the Members at such annual Members' meeting, and no notice shall be necessary to the Directors of such first meeting.

Section 11. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined,

from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day fixed for such meeting. *

Section 12. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and upon like notice if requested in writing by at least one-half (1/2) of the Directors.

Section 13. Waiver of Notice. Before, at or after any meeting of the Board of Directors, any Director may waive, in writing, notice of such meeting, and such waiver shall have the same effect as if notice of the meeting had been properly and timely given to said Director. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and business of any type may be transacted at such meeting.

Section 14. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the actions of the majority of the Directors present at any meeting at which a quorum is present shall be the actions of the Board of Directors. If at any meeting of the Board of Directors, including any one or more adjourned meetings, there should be less than a quorum present, the majority of those present may adjourn the meeting to a later time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 15. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall consent individually or collectively in writing to such action. Such written consent or consents shall be filed as part of the minutes of the Board of Directors.

Section 16. Rights of Mortgagees. Any holders of Recorded First Mortgages of any Lot who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail, Return Receipt Requested. Any such notice shall contain the name and post office address of such holders of Recorded First Mortgages and the name of the individual at such address to whom notices of the regular and special meetings of the Board of Directors should be directed. The Secretary shall maintain a roster of

all holders of Recorded First Mortgages from whom such notices have been received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular and special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notices to the Directors. Any such holders of Recorded First Mortgages shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representative may participate in the discussion at any such meeting and, upon his request made to the President in advance of the meeting, may address the Board of Directors at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 17. Fidelity Bonds. The Board of Directors shall require that all officers, directors and employees of the Association who regularly handle or otherwise are responsible for the funds of the Association shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty in accordance with the requirements of Article VII of these By-Laws. The premiums on such bonds or insurance shall be paid by the Association.

Section 18. Committees.

(a) The Board of Directors, by resolution adopted by a majority of the Directors, may appoint committees to perform such tasks and to serve for such periods as the Board may deem desirable. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee will be composed as required by law and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors and such provisions as designated in the Declaration.

(b) The Board of Directors shall appoint an Architectural Review Committee pursuant to the provisions of Section 10.06 of the Declaration.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Members. Only those individuals who are members of the then current Board of Directors shall be eligible to serve as officers of the Association. However, a Director, merely by virtue of being a Director, shall not be considered an officer of the Association. In addition to the officers named above,

