

Article 3 -- BOARD OF DIRECTORS

3.1 Number. The affairs of this Association shall be initially managed by a board of three (3) directors, who need not be Members of the Association so long as there is a Class B membership in the Association. After the termination of the Class B membership, all directors must be Members of the Association. The Board may increase the number of directors on the board, but the number of directors must always be an odd number and shall not exceed seven (7) directors.

3.2 Term of Office. The initial members of the Board shall hold office until the first annual meeting of the Members and until their successors are elected and qualified. Commencing with the first annual meeting of the Members, the directors terms shall be staggered, a three (3) person Board shall consist of one (1) three (3) year term, one (1) two (2) year term and one (1) one (1) year term, a five person Board shall consist of one (1) three (3) year term, two (2) two (2) year terms and two (2) one (1) year terms, a seven person Board shall consist of two (2) three (3) year terms, three (3) two (2) year terms and two (2) one (1) year terms.

3.3 Removal. At any annual or special meeting of the Members duly called, any one or more of the members of the Board of Directors may be removed from the Board with or without cause by Members having more than fifty percent (50%) of the votes entitled to be cast by the Members present in person or by proxy at the meeting, and a successor may then and there be elected to fill the acancy thereby created.

3.4 Compensation. No director shall receive compensation for any service he may render as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

3.5 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board.

3.6 Vacancies. Vacancies on the Board caused by any reason other than the removal of a director in accordance with the provisions of Section 3.3 of these Bylaws shall be filled by a majority vote of the remaining directors present at the first regular or special meeting of the Board held after the occurrence of such vacancy, even though the directors present at such meeting: may constitute less than a quorum. Each person so elected shall serve the unexpired portion of the prior director's term.

3.7 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board. Such meetings shall be held at least once during each fiscal year.

3.8 Special Meetings. Special meetings of the Board may be called by the President on three (3) business days notice to each director, given in writing, by hand delivery, mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two directors.

3.9 Quorum. A majority of the directors shall constitute a quorum for the transaction of business.

3.10 Majority Vote. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

3.11 Powers and Duties.

- A. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Project Documents required to be exercised or done by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board shall have the following powers and duties:
1. Open bank accounts on behalf of the Association and designate the signatories thereon;
 2. Make, or contract for the making of, repairs, additions to improvements to or alterations of the Common Area in accordance with the Project Documents. after damage or destruction by fire or other casualty. or as a result of condemnation or eminent domain proceedings;
 3. In the exercise of its discretion, enforce by legal means the provisions of the Project Documents;
 4. Designate, hire and dismiss the personnel necessary for the maintenance, construction, operation, management, repair, and replacement of the Common Area and provide services for the Members, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;
 5. Provide for the operation, care, upkeep and maintenance of all of the Common Area and borrow money on behalf of the Association when required in connection with the operation, upkeep and maintenance for said areas; provided, however, the consent of Members having at least two-thirds (2/3) of the total votes in the Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of \$15,000;

- 6. Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;**
 - 7. Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the Members and their family members, guests, lessees and invitees thereon and establish penalties/fines per local State Statutes for the infraction thereof;**
 - 8. Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any Assessment or other amounts due under the terms of the Project Documents for a period of fifteen (15) days, and suspend the voting rights of a Member for a period not to exceed sixty (60) days for any infraction of the Project Documents;**
 - 9. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Project Documents;**
 - 10. Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;**
 - 11. Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;**
 - 12. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members. or at any special meeting when such statement is requested in writing by any Member entitled to vote.**
 - 13. Supervise all officers, agents and employees of the Association and see that their duties are properly performed;**
 - 14. Levy and collect Assessments as provided in the Declaration;**
 - 15. Issue, or cause an appropriate officer to issue upon demand to 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;**
 - 16. Procure and maintain adequate property, liability and other insurance as required by the Declaration; and**
 - 17. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate. Levy and collect Assessments as provided in the Declaration;**
- B. The Board may employ for the Project a "Managing Agent" at a compensation established by the Board. The Managing Agent may either be an employee of the Association or an independent professional management company. The Managing Agent shall perform such duties and services as the Board shall authorize, including, but not limited to, all of the duties listed in the, Declaration and these Bylaws except for such duties and services that under the Declaration may not be delegated to the Managing Agent. The**

Board may delegate to the Managing Agent all of the powers granted to the Board or the officers of the Association by the Declaration and these Bylaws other than the following powers:

- 1. To adopt the annual budget, any amendment thereto or to levy Assessments;**
 - 2. To adopt, repeal or amend Association Rules;**
 - 3. To designate signatories on Association bank accounts;**
 - 4. To borrow money on behalf of the Association.**
- C. Any contract with the Managing Agent must provide that it may be terminated with cause and without payment of any penalty or termination fee on at least thirty (30) days written notice, and may be terminated without cause and without payment of any penalty or termination fee on at least ninety (90) days written notice. The term of any such contract may not exceed three (3) years.**