

BYLAWS OF

WESTLAKE VILLAGE HOMEOWNERS ASSOCIATION

ARTICLE I
INTRODUCTORY PROVISIONS

1.1 Name. The name of the association is Westlake Village Homeowners Association, and is hereinafter referred to as the "Association".

1.2 Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration.

ARTICLE II
THE ASSOCIATION

2.1 Organization. The Association is organized as a Pennsylvania non-profit corporation. The Association shall have the responsibility of establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium, and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Declaration.

2.2 Membership. Every person who acquires title to a Unit shall automatically become a member of the Association and shall continue to be a member of the Association at all times that he or she has legal title to the Unit. Membership in the Association is an incident of ownership of a Unit and may not be resigned, terminated or transferred other than by transfer of title to the Unit to which such membership is appurtenant. Every Unit Owner and all persons entitled to occupy a unit shall comply with these Bylaws.

2.3 Annual Meetings. An annual meeting of the Association shall be held during the first week of May of each year at the time and place designated by the Board of Directors. At such annual meetings, members of the Board shall be elected in accordance with the requirements of Article III of these Bylaws, and such other business as may properly come before the meeting may be transacted.

2.4 Special Meetings. Special meetings of the Association may be called at any time by the President and shall be called as directed by resolution of the Board, or upon written request presented to the Secretary and signed by Unit Owners entitled to cast at least ten percent (10%) of the votes of the Association.

No business shall be transacted at a special meeting except as stated in the Notice.

2.5 Quorum; Adjournment of Meetings. No official business may be transacted, nor may any binding vote be taken, at any meeting of the Association unless a quorum of Unit Owners is present. The presence at a meeting in person or by proxy of Unit Owners entitled to cast at least one-third (1/3) of the votes of the Association shall constitute a quorum. If less than a quorum is present at any meeting, a majority of the Unit Owners present, in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours after the time for which the original meeting was called, and the Secretary shall give notice of the adjourned meeting to all Unit Owners, which notice shall state the quorum requirements at the adjourned meeting. The quorum at such second meeting shall be the presence of Unit Owners, in person or by proxy, entitled to cast at least one-tenth (1/10) of the votes of the Association.

2.6 Notice of Meetings. Written notice of each meeting shall be given by or at the direction of the Secretary by hand delivering or mailing a copy of such notice, postage prepaid, to each Unit Owner at the address last appearing on the books of the Association or supplied by such Unit Owner for the purpose of notice. If no address is given, notice shall be delivered to the Unit. Such notice shall specify the place, day and hour of the meeting, which shall not be less than ten (10) days nor more than sixty (60) days from the date of the notice, and the agenda of the meeting. If the purpose of a special meeting includes the consideration of the rejection of a budget or capital expenditure pursuant to Section 7.5 below, such meeting shall be held within fifteen (15) days after being called pursuant to Section 2.4 hereof.

2.7 Proxies. Each Unit Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable at any time upon written notice to the Secretary and shall automatically cease when the Secretary has received written notice of the death or judicially declared incompetency of the Unit Owner granting the proxy or the sale or other transfer by the Unit Owner of his or her Unit.

2.8 Conduct of Meetings. The President (or in his absence, any other officer) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or these Bylaws.

2.9 Voting. (a) The vote of the majority of the Unit Owners who are present, whether in person or by proxy, at any regular or special meeting and entitled to vote thereat shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Declaration or these Bylaws, a different vote is required, in which case such express provision shall govern and control. As used in these Bylaws, the term "majority of the Unit Owners present" shall mean at least one vote in excess of fifty percent (50%) of the votes which the Unit Owners who are present in person or by proxy at a meeting of the Association are entitled to cast at such meeting.

(b) If more than one person is the Owner of a Unit, or if a corporation is the Owner of a Unit, the vote for such Unit shall be exercised as those persons themselves determine and advise the Secretary prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended in the event more than one person seeks to exercise it. In no event shall more than one vote be cast with respect to any Unit.

2.10 Acts of the Association Without a Meeting. Any action which may be taken by the Unit Owners at a meeting of the Association may also be taken, without a meeting, by the written consent to such action signed by Unit Owners whose votes would have been sufficient to take such action had a special meeting at which all Unit Owners were present been held for the purpose of taking such action. Such written consent shall state in detail the action so taken. Each action so taken without a meeting shall be promptly filed with the Secretary and reported to the Association.

ARTICLE III BOARD OF DIRECTORS

3.1 Number and Qualification. The business and affairs of the Association shall be managed by a Board of Directors composed of three natural persons of full age, all of whom shall be Unit Owners.

3.2 The First Board of Directors. Anything contained in Section 3.1 to the contrary notwithstanding, the members of the "First Board of Directors" shall be appointed and elected as follows:

(a) The initial members of the "First Board of Directors" shall be three persons designated by the Declarant, who need not be Unit Owners. The members of the Board of Directors designated by the Declarant shall have the same rights and duties as any elected member of the Board of Directors, including the right to hold office.

(b) The President shall call a meeting of the Association to be held not later than one hundred twenty (120) days after the earliest of: (i) the date by which title to seventy-five percent (75%) of the total number of Units in the Condominium has been conveyed to persons other than Declarant; or (ii) the date Declarant records an instrument terminating its right to appoint members of the Board of Directors pursuant to the right to do so retained by Declarant in the Declaration; or (iii) the date five years after the recording of the Declaration. If possible, such meeting shall be the annual meeting of the Association and be held during the period specified for such meeting in Section 2.3. At such meeting, all Unit Owners (including Declarant if it still owns Units) shall elect three persons to serve on the Board, who shall be elected to serve until their respective successors are elected. The candidates receiving the two highest number of votes at such meeting shall be elected to serve a two year term, and the candidate receiving the next highest number of votes shall be elected to serve a one-year term. At each subsequent annual meeting, elections shall be held to fill the vacancies on the Board caused by the current expiration of the terms of office of Board members, and all members elected shall be elected for two year terms.

3.3 Resignation and Removal. Any elected Board member may be removed from the Board with or without cause by a majority vote of the Association. Any Unit Owner may propose removal of a Board member by presenting a petition to the Secretary signed by Unit Owners entitled to cast at least ten percent (10%) of the votes of the Association. Any Board member whose removal has been proposed shall be given at least ten days' (10) notice by the Secretary of the time, place and purpose of the meeting at which the question of removal will be voted upon, and shall be given the opportunity to be heard at such meeting.

3.4 Vacancies. Except as set forth in Section 3.2 above with respect to the First Board of Directors, vacancies in the Board caused by any reason other than the removal of a Board member by a vote of the Unit Owners shall be filled by a vote of the majority of the remaining Board members at a special meeting of the Board held for such purpose promptly after the occurrence of any such vacancy even though the Board members present at such meeting may constitute less than a quorum. Each person so elected shall be a Board member for the remainder of the term of the Board member being replaced and until a successor shall be elected at the next annual meeting of the Association at which the term of his predecessor would have otherwise expired. Vacancies caused by a removal of a Board member by vote of the Unit Owners shall be filled by a vote of Unit Owners at a special meeting of the Association which shall be held within sixty (60) days after such vacancy occurs, and which may take place at the same meeting at which such removal is voted by the Unit Owners.

3.5 Compensation. No Board Member shall receive any compensation from the Association for acting as such, but may be reimbursed for any expense incurred in the performance of his or her duties.

ARTICLE IV NOMINATIONS AND ELECTION

4.1 Election and Term of Office. At the annual meetings of the Association, subject to Section 3.2, the election of Board Members shall be held. The term of office of any Board Member to be elected (except as set forth in Section 3.2) shall be fixed at two years. Board Members shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal or resignation. A Board Member may serve an unlimited number of terms and may succeed himself.

4.2 Election Committee. At least sixty (60) days before each meeting of the Association at which members of the Board of Directors are to be elected, the President shall appoint an election committee of at least three (3) persons, at least one of whom shall be a member of the Board of Directors whose term of office does not expire at the upcoming meeting. The duties of the election committee shall be to publicize the upcoming election, encourage qualified persons to run for office, prepare ballots, solicit proxies from the Unit Owners and certify the elected nominees to the Association.

4.3 Nominations. Persons qualified to be Board Members may declare candidacy or be nominated for election only as follows:

(a) Any Unit Owner may submit to the Election Committee at least thirty (30) days before the meeting at which the election is to be held a declaration of candidacy stating that the candidate is willing to serve on the Board, together with a biographical sketch of the candidate. At least twenty (20) days prior to the meeting, the Unit Owners shall be notified in writing of all such candidates and shall be furnished with the biographical sketches submitted by the candidates and ballots. Ballots shall contain the typed or printed names of all candidates, with the order in which such names appear determined by lot.

(b) Nominations may be submitted from the floor at the meeting only for vacancies for which no more than one person has declared candidacy.

4.4 Method of Election. All elections to the Board shall be by written ballot, and the candidates receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

ARTICLE V BOARD OF DIRECTOR MEETINGS

5.1 Regular Meetings. Regular meetings of the Board shall be held without notice at such place and hour as may be fixed from time to time by resolution of the Board. The first meeting of a newly elected Board shall be held within ten days of election at such place as shall be fixed by the President at the meeting at which such Board was elected. Notice of such first meeting shall be sent to each Board Member at least three days prior to the date of the meeting. At least three regular meetings shall be held during the period between the organization meeting of the Board and the next annual meeting of the Association, unless each Board Member waives in writing the requirement to hold a particular meeting. One such meeting of the Board shall be held during the month of November for the purpose of adopting a budget for the following calendar year, which meeting may not be waived by the Board Members.

5.2 Special Meeting. Special meetings of the Board shall be held when called by the President, or by any two Board Members after not less than two days notice to each Board Member. Notice may be given personally or by mail, telephone or telegraph, and shall state the time, place and purpose of the meeting.

5.3 Quorum. A majority of the Board Members shall constitute a quorum for the transaction of business and the acts of the majority of those present at a meeting at which a quorum is present shall be the acts of the Board.

5.4 Action Taken Without a Meeting. The Board Members shall have the right to take any action in the absence of a meeting which they could take at a meeting if all of the Board Members shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the Secretary and included with the minutes of the Board.

5.5 Waiver of Notice. Before or at any meeting of the Board any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Board Member at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the Board Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.6 Assumed Assent. Any Board Member present at any meeting shall be deemed to have assented to any action taken at such meeting, unless his or her dissent is entered on the minutes or unless his or her written dissent is filed with the Secretary at or immediately following the adjournment thereof, provided that no Board Member may dissent from any action for which he or she voted at the meeting.

5.7 Participation in Meetings by Communications Equipment. One or more Board Members may participate in and be counted for quorum purposes at any meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

5.8 Attendance by Unit Owners. Except for the annual budget meeting referred to in Section 5.1, Unit Owners who are not Board Members shall not have the right to receive notice of, or to attend, meetings of the Board, unless the Board, in its sole discretion, elects to invite all Unit Owners to attend (except that the Board may request the attendance at any meeting of a Unit Owner of Unit Owners who are members of advisory committees formed pursuant to Section 3.6(c) without inviting all unit Owners to attend). The Secretary shall give all unit Owners notice, in accordance with Section 2.5, of the annual budget meeting of the Board (which notice shall be accompanied by a copy of the proposed budget to be voted upon by the Board) and of all other meetings to which the Board elects to invite Unit Owners. At each such meeting which Unit Owners are entitled to attend, the attending Unit Owners shall not have the right to vote, but shall have the right to be heard consistent with such rules of order as the Board may adopt.

5.9 Validity of Contracts With Interested Board Members. No contract or other transaction between the Association and one or more of its Board Members or between the association and any corporation, firm or association in which one or more of the Board Members are directors or officers, or are financially interested, shall be void or voidable because such Board Member or Members are present at any meeting of the Board which authorized or approved the contract or transaction or because

his, her or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

(a) The fact that a Board Member is also such a director or officer or has such financial interest is disclosed or known to the Board, and is noted in the minutes thereof, and the Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Board Member or Members; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

ARTICLE VI OFFICERS

6.1 Enumeration of Officers. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer, and Assistant Secretary, and such other officers as, in its judgment, may be necessary. An officer other than the President may hold more than one office.

6.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

6.3 Removal of Officers. Upon the affirmative vote of a majority of all Board Members, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Board called for such purpose.

6.4 Vacancies. A vacancy in any office may be filled by appointment by the Board. The person appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

6.5 Duties. The duties of the officers are as follows:
(a) President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Board, and have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania. The President shall cease holding such office at such time as he ceases to be a Board Member.

(b) Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board, have charge of such books and papers as the Board may direct, maintain a register setting forth the place to which all notices to Unit Owners and Eligible Mortgagees shall be delivered and, in general, perform all the duties incident to the office of Secretary of a corporation organized under the laws of Pennsylvania.

(c) Treasurer. The Treasurer shall have the responsibility for the safe-keeping of Association funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and be responsible for the deposit of all monies in the name of the Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Board and, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the laws of Pennsylvania.

6.6 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$5,000 shall be executed by any two officers of the Association. All such instruments for expenditures or obligations of \$5,000 or less may be executed by any one officer of the Association or any other person designated by the Board, including, but not limited to, the Managing Agent, if any.

6.7 Delegation of Duties. The Secretary and Treasurer may delegate all or some of their duties to the Managing Agent.

ARTICLE VII COMMON EXPENSES AND ASSESSMENTS

7.1 Fiscal Year. The fiscal year of the Association shall be the calendar year, unless otherwise determined by the Board.

7.2 Preparation and Approval of Budget.

(a) During the month of November of each year, the Board shall adopt an annual budget for the Association containing as estimate of the total amount considered necessary to pay (i) the cost of maintenance, management, operation, repair and replacement of the Common Elements; (ii) assessments made by the Master Association and (iii) the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Declaration, these Bylaws or a resolution of the Association, and which will be required during the following fiscal year for the administration, operation, maintenance and repair of the

Property and the rendering to the Unit Owners of all related services, and to pay the assessments made by the Master Association under the Master Declaration of The Villages at Timber Lake. Such budget shall also include such reasonable amounts as the Board considers necessary to provide working capital and reserves for contingencies and replacements.

(b) The Board shall make the budget available for inspection at the Association's office and shall send a copy thereof to each Unit Owner promptly after the budget is adopted. The budget shall constitute the basis for determining each Unit Owner's assessments for Common Expenses and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 7.6 below.

(c) The Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

7.3 Assesment of Common Expenses. The Board shall calculate the monthly assessments for Common Expenses against each Unit by dividing (i) the total amount of the estimated funds required for the operation of the Property and payment of assessments made by the Master Association under the Master Declaration of the Villages of Timber Lake set forth in the budget adopted by the Board for the fiscal year in question, after deducting any estimated income expected to the received from sources other than Common Expense assessments, by (ii) the Percentage Interest appurtenant to the Unit, and dividing that result by (iii) the number of calendar months in such fiscal year. Such assessment shall be deemed to have been adopted and assessed on a monthly basis, and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month, and shall be a lien against each Unit Owner's Unit as provided in the Declaration.

7.4 Reserves: Special Assessments. (a) The Board shall build up and maintain reasonable reserves for contingencies and replacements. Extra-ordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Unit Owner's assessments, the Board may at any time adjust the budget and levy special assessments for Common Expenses which shall be assessed against the Unit Owners according to their respective Percentage Interest and shall be payable in one or more monthly assessments as the Board may determine.

(b) The Board shall serve notice on all Unit Owners of any special assessments pursuant to subsection (a) above (or otherwise as permitted or required by the Declaration and these Bylaws) by a statement in writing giving the amount and reasons therefor, and such special assessment shall, unless otherwise specified in the notice, become effective with the

next monthly assessment which is due more than thirty (30) days after the delivery of such notice. The effective date of the lien for such assessments shall be determined in the same manner as set forth in Section 7.3.

7.5 Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's Obligation to pay his or her allocable share of the Common Expenses as herein provided wherever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until a new annual or adjusted budget shall have been adopted.

7.6 Payment of Common Expenses. Each Unit Owner shall pay the assessments levied by the Board pursuant to the provisions of this Article. No Unit Owner may exempt himself from liability for the payment of Common Expenses by waiver of the use or enjoyment of any of the Common elements or by abandonment of his or her Unit, and such liability shall not be abated due to any interruption in the delivery of services to the Unit Owner or for any other reason except as specifically set forth in the Declaration or these Bylaws. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his or her Unit subsequent to the date of recordation of a conveyance by him or her in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the Unit up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the Purchaser therefor.

7.7 Collection of Assessments; Late Charges. (a) The Board or the Managing Agent, at the request of the Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment not paid within ten (10) days after its due date shall accrue a late charge in the amount of five percent (5%) of the overdue assessment in addition to interest at the rate of fifteen (15%) percent per annum or such other rate as may be determined by the Board, together with any resulting late charge or interest assessed by the Master Association

(b) In the event that any assessment shall be past due for more than forty-five (45) days, the monthly assessments for the balance of the fiscal year (based upon the amount of the last monthly assessment), plus late charges and interest as aforesaid, shall, at the option of the Board, become immediately due and payable in full; provided, that, in the event that (i) an arm's length and bona fide sale of a Unit to

a third person is consummated, or (ii) the holder of an Eligible Mortgage encumbering a Unit and recorded prior to the date of an acceleration of payments by the Board either (1) takes possession of such Unit, (2) accepts a deed in lieu of foreclosure, or (3) files suit to foreclose such Eligible Mortgage and causes a receiver to be appointed for the Unit, then, upon payment of all monthly assessments falling due up to and including any of the events described above in (i) or (ii)(1) through (3) as applicable, any assessments theretofore accelerated by the Board shall be due and payable at the time and in the manner in which such assessments would have otherwise been due and payable had no such acceleration occurred.

7.8 Accounts; Audits. All sums collected by the Board with respect to assessments against the Unit Owners, or from any other source may be comingled into a single fund. All books and records of the Association shall be kept in accordance with generally accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Board.

7.9 Statement of Common Expenses. Upon written request, the Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Board may impose a reasonable charge for the preparation of such statement.

ARTICLE VIII BOOKS, RECORDS AND REPORTS

8.1 Maintenance of Books and Records. The Board shall maintain or cause the proper officers or the Managing Agent to maintain complete, accurate and current books and records adequate to reflect fully the operations, proceedings and financial condition of the Association, and the operation and condition of the Condominium. Such books and records shall include, without limitation, the books and records to be maintained by the Treasurer under Section 6.5(c) and the Secretary under Section 6.5(b).

8.2. Access to Books and Records. The Association's books and records shall be kept at the Association or at such other location in the vicinity of the Association as the Board may from time to time determine, and shall, after reasonable written notice, be available for examination during regular business hours by the Unit Owners, by persons who have entered into binding written agreements to purchase Units, and by the holders of Eligible Mortgages.

8.3 Reports. The Board shall cause an annual report of the business and affairs of the Association to be prepared by an independent accountant, showing its transactions and reflecting fully and accurately its financial condition. Such report shall be verified by the President and Treasurer or by a majority of the Board Members, and shall set forth the following information:

(a) The assets and liabilities of the Association as of the end of the immediately preceding fiscal year;

(b) The principal changes in assets and liabilities of the Association during the immediately preceding fiscal year;

(c) The revenues or receipts of the Association, both restricted and unrestricted to particular purposes, for the immediately preceding fiscal year;

(d) The expenses or disbursements of the Association, for both restricted and unrestricted purposes, during the immediately preceding fiscal year.

The annual report of the Association shall be distributed to all Unit Owners at or prior to the annual meeting and filed with the minutes of the annual meeting.

ARTICLE IX INDEMNIFICATION OF OFFICERS AND DIRECTORS

9.1 Liability of Officers and Board Members: The members of the Board and the officers of the Association, and the members of any committees formed pursuant to these Bylaws, (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct, gross negligence or bad faith; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to a Unit Owner or any other person or entity direct or imputed by virtue of acts performed by them, except for their own willful misconduct, gross negligence or bad faith, nor for acts performed for them, in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed or imputed to them as a result or by virtue of their capacity as such Board Members, officers or committee members.

9.2 Right to Indemnification. The Association shall indemnify and hold harmless any person, his heirs and personal representatives from and against any and all personal liability and all expenses, including reasonable counsel fees, incurred imposed or arising out or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil,

criminal, administrative or investigative, instituted by any one or more Unit Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board or an officer of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct, gross negligence or bad faith, provided, in the case of any settlement, that the Board shall have approved the settlement, which approval shall not be unreasonably withheld or delayed. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Board, or otherwise. The indemnification by the Association set forth in this section shall be effective with respect to claims for which such indemnification is applicable, if the underlying basis for such claim arose during the period of service of the person to be indemnified, notwithstanding that at the time such claim is made, adjudicated or settled, and indemnification is required, such person is no longer a Board member or an officer of the Association. The indemnification by the Association set forth in this section shall be paid by the Association as a Common Expense and shall be assessed and collectible as such.

9.3 Insurance. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a Board member, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another enterprise, against any liability asserted against him and status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of these Bylaws.

ARTICLE X COMPLIANCE AND DEFAULT

10.1 Fines. Each Unit Owner shall be governed by and shall comply with all of the terms of the Declaration, these Bylaws and the rules and regulations, as any of them may be amended from time to time. The Board of Directors may, after notice and an opportunity to be heard, levy reasonable fines against any Unit Owner who violates any provision of the Declaration, these Bylaws or the rules and regulations.

10.2 Additional Remedies. In addition to the remedies provided in the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Board or through a Managing Agent, if any, to the following relief:

(a) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repairs or

replacements rendered necessary by his act, neglect or carelessness, or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Association. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding, and such reasonable attorney's fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Association, the Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws or the rules and regulations shall not constitute a waiver of the right of the Association, the Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board, or any Unit Owner pursuant to any term provision, covenant or condition of the Declaration, these Bylaws or the rules and regulations shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws or the rules and regulations, or at law or in equity.

(d) Abating and Enjoining Violations. The violation of any of the rules and regulations adopted by the Board or the breach of any provision of the Declaration or the Bylaws shall give the Board the right, in addition to any other rights granted by the Declaration, these Bylaws or the rules and regulation, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such breach.

ARTICLE XI AMENDMENTS

11.1 Method. Except as otherwise provided in these Bylaws, these Bylaws may be amended at any time in the following manner:

(a) Notice of the proposed amendment in reasonably detailed form shall be included in a notice of any meeting of the Association at which a proposed amendment is to be considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board or by Unit Owners entitled to cast not less than twenty percent (20%) of the votes of the Association at a meeting called for that purpose. Such amendment must be approved by Unit Owners entitled to cast a majority of the votes of the Association.

(c) In addition to the requirements set forth in subparagraph (b) of this section, until the date on which all Declarant-appointed Board members are required to resign pursuant to the Declaration, Section 3.2 and this Section may not be amended without the consent in writing of the Declarant.

11.2 Technical Amendments.

(a) If, in the judgment of the Board, any amendment is necessary to cure any ambiguity or to correct or supplement any provision of these Bylaws which is defective or inconsistent with any other provision hereof, the Board may affect an appropriate corrective amendment without the approval of any other Unit Owners upon its receipt of an opinion from independent counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

(b) Anything in these Bylaws to the contrary notwithstanding, in the event Declarant shall seek to have the Property approved by the Federal Housing Administration, Federal National Mortgage Association, the Veterans Administration, or the Federal Home Loan Mortgage Corporation and any such entity shall require that these Bylaws be amended as a condition to the granting of such entity's approval, Declarant shall have the right to amend these Bylaws without the consent of any Unit Owners or the Board in order to incorporate the changes required by such entity in order to obtain its approval.

(c) Any such technical amendment shall become effective upon notice to the Unit Owners of the need for and contents of such amendment.

ARTICLE XII MISCELLANEOUS

12.1 Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail, postage prepaid, (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Board or the Managing Agent, at the principal office of the Association or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this section; and (iii) to Eligible Mortgagees at their addresses on the register to be maintained pursuant to the Declaration, or at such other addresses as they may from time to time designate by written notice to the Board.

12.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

12.3 Invalidity. If any provision of these Bylaws is determined to be invalid, the determination shall not affect the validity or effect of the remaining provisions hereof or of the Declaration, all of which shall continue in effect as if such invalid provision had not been included herein.

12.4 Conflicts. The Declaration shall control in the case of any conflict between the provisions thereof and the provisions of these Bylaws.

IN WITNESS WHEREOF, the undersigned, constituting all of the members of the first Board of Directors, have duly executed these Bylaws the day and year first above written.
