

BY-LAWS
OF
RIVER BEND WEST COMMUNITY ASSOCIATION

ARTICLE I

OFFICES

The corporation shall continuously maintain in the State of Illinois a registered agent whose business office is identical with such registered office, and may have other offices within or without the state.

ARTICLE II

SECTION 1. CLASSES OF MEMBERS. The Corporation shall have one class of members. Membership shall cease, ipso facto, upon cessation of membership in River Bend West Community Association.

SECTION 2. TRANSFER OF MEMBERSHIP. Membership in this Corporation is not transferable or assignable.

ARTICLE III

MEETING OF MEMBERS

SECTION 1. ANNUAL MEETING. An annual meeting for the members shall be held on or before the 1st day of March in each calendar year, but not sooner than 270 days after initial meeting of directors, pursuant to these By-laws and the Articles of Incorporation of this corporation, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called either by the president, by the board of directors or by not less than one-sixth of the members having voting rights, for the purpose or purposes stated in the call of the meeting.

SECTION 3. PLACE OF MEETING. The board of directors may designate any place as the place of meeting for any annual meeting, or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of the meeting shall be at the registered office of the Corporation in the State of Illinois.

SECTION 4. NOTICE OF MEETINGS. Notice of any regular meeting shall be given at least five (5) but not more the thirty (30) days before the meeting date to each member by written notice stating the date, time and place of meeting. In the case of a special meeting, or where required by statute or elsewhere in the By-Laws, the notice shall additionally state the purpose of the meeting. Notice of all regular and special meetings of members shall be given as follows

- (a) By mailing or hand delivering the notice not less than five (5) days before the meeting to the member's last known address. Notice shall be deemed to be mailed if deposited in the United States mail with first-class postage affixed and addressed to the latest address provided by the member; or

- (b) By e-mail, to the latest e-mail address provided by a member who elects in writing to receive notice of meeting by e-mail in lieu of regular mail or hand-delivery.

The attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. When a meeting is adjourned to another time or place, notice of the adjourned meeting date need not be given if the time and place of the adjourned meeting are announced at the meeting where the adjournment is taken.

SECTION 5. FIXING OF RECORD DATE. For the purpose of determining the members entitled to notice of or to vote at any meeting of members, or in order to make a determination of members for any other proper purpose, the board of directors of the corporation may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than 30 days and for a meeting of members, not less than 5 days, before the date of such meeting. If no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of members, the date on which notice of the meeting is delivered shall be the record date for such determination of members. When the determination of members entitled to vote at any meeting of members has been made, such determination shall apply to any adjournment of the meeting.

SECTION 6. QUORUM. The holders of one-fourth of the votes which may be cast at a meeting of members of the Corporation, represented in person or by proxy, shall constitute a quorum for consideration for consideration of such matter at any meeting of members; provided that if less than one-fourth of the outstanding votes are represented at said meeting, a majority of the votes so represented may adjourn the meeting at any time without further notice. If a quorum is present, the affirmative vote of the majority of the votes represented at the meeting shall be the act of the members, unless the vote of a greater number or voting by classes is required by the General Not For Profit Corporation Act, the articles of incorporation or the By-Laws. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

SECTION 7. PROXIES. Each member entitled to vote at a meeting of members or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after eleven months from its date, unless the proxy provide for a longer period.

SECTION 8. VOTING. Each member shall be entitled to one vote per lot owned on each matter submitted to vote at a meeting of members. Each member may vote either in person or by proxy as provided in SECTION 7 hereof.

SECTION 9. INSPECTORS. At any meeting of members, the Chairman of the meeting may, or upon the request of any member, shall appoint one or more persons as inspectors for such meeting. Such inspectors shall ascertain and report the number of votes represented at the meeting, based upon their determination of the validity and effect of proxies; count all votes and report the results; and do such acts as are proper to conduct the election and voting with impartiality and fairness to all the members. Each report of an inspector shall be in writing and signed by him or her or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a

majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of votes represented at the meeting and the results of the voting shall be prima facie evidence thereof.

SECTION 10. VOTING BY BALLOT. Voting on any question or in any election may be by voice unless the presiding officer shall order or any member shall demand that voting be by ballot.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The affairs of the corporation shall be managed by or under the direction of its board of directors.

SECTION 2. NOMINATING COMMITTEE. At least 10 days before each annual meeting of members at which directors are to be elected, the president, with the approval of the Board of Directors, shall appoint a nominating committee of three members. The nominating committee shall meet and shall nominate a qualified person for each of the offices or directors to be filled that year. The chairman of the nominating committee shall present the nominations to the annual meeting. Additional nominations may be made from the floor. A majority of all ballots cast shall be necessary to elect a director when one or more candidates are nominated for any office.

SECTION 3. NUMBER, TENURE AND QUALIFICATIONS.

- (a) The number of directors of the corporation shall be seven.
- (b) Each director shall hold office for two years and until his or her successor shall have been elected and qualified.
- (c) Directors must be residents of Illinois and members of the corporation. The number of directors may be decreased to not fewer than five or increased to any number from time to time by amendment of this section, unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment of the articles of incorporation. No decrease shall have the effect of shortening the term of an incumbent director. The official mailing address of the Corporation shall be that of the president or secretary.

SECTION 4. REGULAR MEETINGS. A regular meeting of the board of directors shall be held without other notice than in these by-laws, immediately after, and at the same places as, the annual meeting of members. The board of directors may provide, by resolution, the time and place for holding of additional regular meetings without other notice than such resolution.

SECTION 5. SPECIAL MEETINGS. Special meeting of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board of directors may fix any place as the place for holding any special meeting of the board of directors called by them.

SECTION 6. NOTICE. Notice of any special meeting shall be given five (5) days before the special meeting date to each director by written notice stating the date, time, and place of the meeting. Notice of all regular and special meetings of the board of directors shall be given as follows:

- (a) By mailing or hand delivering the notice not less than (5) days before the meeting date to the director's last known address. Notice shall be deemed to be mailed if deposited in the United

States mail with first-class postage affixed and addressed to the latest address provided by the director; or

- (b) By e-mail, to the latest e-mail address provided by a director who elects in writing to receive notice of meetings by e-mail in lieu of regular mail or hand-delivery.

The attendance of a director at a meeting shall constitute waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the board of directors need to be specified in the notice or waiver of notice of the meeting.

SECTION 7. QUORUM. A majority of the number of directors shall constitute a quorum for transaction of business at any meeting of the board of directors, provided that if less than a majority of such number of directors are present at said meeting, a majority of the directors present may adjourn the meeting at any time without further notice.

SECTION 8. MANNER OF ELECTION; TERM OF OFFICE. Directors shall be elected at the annual meeting of the members. The term of office of each director shall be two (2) years.

SECTION 9. MANNER OF ACTING. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by statute, these by-laws, or articles of incorporation. No director may act by proxy on any matter.

SECTION 10. VACANCIES. Any vacancy occurring in the board of directors to be filled by reason of an increase or in the number of directors shall be filled by the board of directors unless the articles of incorporation, a statute, or these by-laws provide that a vacancy or directorship so created shall be filled in some other manner, in which case such provision shall control, a director elected or appointed, as the case may be, to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

SECTION 11. RESIGNATION AND REMOVAL OF DIRECTORS. A director may resign at any time upon written notice to the board of directors. A director may be removed with or without cause, as specified by statute. Any director may be removed from office for cause at any regular meeting of members by voting of two-thirds of the members present in quorum. Such director shall be notified of the meeting and of the special charges against him at least 15 days prior to the meeting. Such director may appear in his own defense either in person or by attorney and may present witnesses.

SECTION 12. INFORMAL ACTION BY DIRECTORS. The authority of the board of directors may be exercised without a meeting if a consent in writing, set forth the action taken, is signed by all of the directors entitled to a vote.

SECTION 13. PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such matter.

ARTICLE V

OFFICERS

SECTION 1. NUMBER. The officers of the corporation shall be a president, one or more vice-presidents (the number thereof to be determined by the board of directors), a treasurer, a secretary, and such other officers as may be elected or appointed by the board of directors. Officers whose authority and duties are not prescribed in these by-laws shall have the authority and perform duties prescribed, from time to time, by the board of directors. Any two or more offices may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the board of directors at the regular meeting of the board of directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

SECTION 3. REMOVAL. Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. PRESIDENT. The president shall be the principal executive officer of the corporation. Subject to the direction and control of the board of directors, he/she shall be in charge of the business of the corporation; he shall see that the resolutions and directions of the board of directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the board of directors; and, in general, he/she shall discharge all duties incident to the office of president and such other duties as may be prescribed by the board of directors. He shall preside at all meetings of the members and of the board of directors. Except in those instances in which the authority to execute is expressly delegated to another office or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors or these by-laws, he may execute for the corporation any contracts, deeds, mortgages, bonds or other instruments which the board of directors has authorized to be executed, and he may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument. He may vote all securities which the corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the corporation by the board of directors.

SECTION 5. VICE-PRESIDENT. The vice-president shall assist the president in the discharge of his or her duties as the president may direct and shall perform such other duties as from time to time may be assigned to him/her by the president or the board of directors. In the absence of the president or in the event of his/her inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have the powers of and be subject to all the restriction upon the president. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors or these by-laws, the vice-president may execute for the corporation any contracts, or other

instruments which the board of directors has authorized to be executed, and he/she may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, assistant secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument.

SECTION 6. TREASURER. The treasurer shall be the principle accounting and financial officer of the corporation. He shall (a) have charge of and be responsible for the maintenance of adequate books of account for the corporation, (b) have charge and custody of all funds and securities of the corporation, and be responsible therefor and for the receipt and disbursement thereof: and (c) perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the board of directors.

SECTION 7. SECRETARY. The secretary shall: (a) record minutes of the members and of the board of directors meetings, (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law, (c) be custodian of the corporate records and of the seal of the corporation, (d) keep a register of the post office address and e-mail address of each member which shall be furnished to the secretary by such member, (e) perform all duties incident to the office of secretary and such other duties as from time to time may be designated to him or her by the president or by the board of directors.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS. The board of directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness if issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In absence of such determination by the board of directors, such instruments shall be signed by the treasurer and countersigned by the president or a vice president of the corporation.

SECTION 3. DEPOSITS. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

SECTION 4. GIFTS. The board of directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes of for any special purpose of the corporation.

ARTICLE VII

BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of accounting shall also keep minutes of the proceedings of its members, board of directors, and committees having any authority of

the board of directors, and shall keep at the registered or principle office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his or her agent or attorney for any proper purpose at any reasonable time.

ARTIVLE VIII

FISCAL YEAR

The fiscal year of the corporation shall be fixed by resolution by the board of directors.

ARTICLE IX

INITIAL ASSESSMENTS

SECTION 1. ANNUAL DUES. The board of directors may determine the amount of the initial assessment payable to the corporation by each lot owner.

ARTICLE X

SEAL

The corporate seal shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Illinois". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced, provided that the affixing of the corporate seal to an instrument shall not give the instrument additional force or effect, or change the construction thereof, and use the of the corporate seal is not mandatory.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the General Not For Profit Corporation Act of Illinois or under the provisions of the articles of incorporation or by-laws of the corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

ARTICLE XII

INDEMNIFICATION

SECTION 1. INDEMNIFICATION IN ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The corporation shall indemnify and person who was or is a party or is threatened to be made a party of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or who is serving at the request of the corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trusts or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in

or not opposed to the best interests of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment or settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonable believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

SECTION 3. RIGHT TO PAYMENT OF EXPENSES. To the extent that a director, officer, employee or agent of a corporation has been successful, on the merits or otherwise, in the defense of an action, suit or proceeding referred to in section 2 and 3 of this article, or in defense of any claim, issue of matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

SECTION 4. DETERMINATION OF CONDUCT. Any indemnification under sections 2 and 3 of this article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in circumstances because he or she has met the applicable standard of conduct set forth in sections 2 and 3 of this article. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the members entitled to vote, if any.

SECTION 5. PAYMENT OF EXPENSES IN ADVANCE. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in this article.

SECTION 6. INSURANCE. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, and who is or was serving at the

request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify such person against such liability under provisions of this article.

SECTION 7. NOTICE TO MEMBERS. If the corporation has paid indemnity or had advanced expenses under this article to a director, officer, employee or agent, the corporation shall report the indemnification or advance in writing to the members entitled to vote with or before the notice of the next meeting of the members entitled to vote.

ARTICLE XII

AMENDMENTS

The power to alter, amend or repeal the by-laws or adopt new by-laws shall be vested in the board of directors unless otherwise provided in the articles of incorporation or the by-laws. Such action may be taken at a regular meeting for which written notice of the purpose shall be given. The by-laws may contain any provisions for the regulation and management affairs of the corporation not inconsistent with law or the articles of incorporation.

ATTACHMENT 1

ORIGINAL DIRECTORS

Larry Hinton

Michael Scanlon

Paul Tutt

Stephen Devine

Scott Styck

Donnie Turner

Rich Berns

ATTACHMENT II

PURPOSES

The corporation is organized, and shall be operated exclusively for the following purposes:

- A. To enforce the Declaration of Covenants and Restrictions of River Bend West Subdivision and River Bend West Subdivision, First Addition, Kankakee County, Illinois recorded initially as Document No. 94-07137 and Document No. 96-06844, consisting of home sites in Kankakee County, Illinois, to be the Association referred to in said Declaration, and to assess homeowners in accordance with said Declarations, and to provide all other needs of the subdivision from time to time, and to levy general and special assessments against all lots in the subdivision and any phases of or addition thereto in order to establish and maintain funds for emergency and routine maintenance, management and in furtherance of all other purposes of the Association in all areas of River Bend West Subdivision and River Bend West Subdivision, First Addition, and to maintain funds for legal and other expenses of enforcement of the Declaration, as amended from time to time.
- B. To exercise all rights and powers conferred by the laws of Illinois upon nonprofit corporations, including without limiting the generality of the foregoing, to acquire by bequest, devise, gift, purchase, lease or otherwise any property of any sort or nature without limitation as to its amount or value, and to hold, invest, reinvest, manage, use, apply, employ, sell, expend, disburse, lease, mortgage, convey, option, donate or otherwise dispose of such property and the income, principle and proceeds of such property, for any of the purposes set forth herein.
- C. To do such other things as are incidental to the purposes of the Corporation or necessary or desirable in order to accomplish them.

ATTACHMENT III

OTHER PROVISIONS

ARTICLE 5: OTHER PROVISIONS

1. Not For Profit. The corporation is a nonprofit corporation as defined in the Illinois compiled statutes. The corporation is not formed for pecuniary profit. No part of the income or assets of the corporation is distributable to or for the benefit of its members, directors or officers, except to the extent permissible by law.
2. Limitation. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, directors or officers, but the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 4 (Purposes) hereof.
3. Membership. Each owner, with respect to each lot ownership held by him, shall be a member of the association so long as he is its owner. Ownership of a lot shall be the sole qualification for membership. An owner's membership shall automatically terminate when he ceases to be an owner. Upon the conveyance or transfer of an owner's lot ownership to a new owner, the new owner shall automatically and simultaneously succeed to the former owner's membership in the association. Such succession of interest shall not, however, relieve the former owner of his obligation for any assessments which were levied or became due while he was an owner under this declaration.
4. Association Responsibilities. The association, acting through its membership or its board of directors, as the case may be, shall have the responsibility of (a) enforcing and administering the terms of the declaration, in effect from time to time, and any amendments thereto, (b) establishing and approving the annual budget (including necessary reserves), and (c) establishing and collecting assessments and arranging for the management and the maintenance, repair, and rehabilitation of the common area and the payment of taxes on the common areas in the manner and to the extent hereinafter provided.
5. Voting Rights. There shall be one person with respect to each lot ownership who shall be entitled to vote at any meeting of the association (the "voting member"). The voting member may be the owner or may be a person designated in writing by such owner to act as proxy on his behalf and who need not be an owner. Such designation shall be made in writing by the owner to the board and shall be revocable at any time by actual notice to the board of the death or judicially declared incompetence of any designator, or by written notice to the board by the owner. It shall be the obligation of each owner to furnish the board with the current mailing address of the owner and voting member for the purposes of receiving notice. In any case where the lot ownership is vested in more than one person, the voting member and the vote of such owner shall be determined among such persons as they may see fit, but no more than one voting member shall represent, nor shall more than one vote or any fractional votes be cast on behalf of any lot ownership. During any period in which an owner shall be in default in the payment of any assessment or special assessment levied by the association pursuant to this declaration, the voting rights of such owner shall be suspended.

The voting member is the owner or person designated in writing to vote on behalf of a lot ownership. No vote shall be of any effect unless and until written designation of the authorized person is lodged with the association, if there is more than one owner unless all there of sign.

6. Assessments

- a. Lien and Personal Obligation for Assessments. The developer, for each lot ownership owned by it hereby covenants, to pay the association, and each owner by acceptance of the deed to his lot ownership, shall be deemed to covenant and agree to pay the association annual assessments or changes; and special assessments as hereinafter authorized, fixed, established, and collected from time to time as hereinafter provided. All such annual and special assessments, together with interest, if any, and cost of collection thereof, including attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made from the date of its commencement, all as hereinafter provided. Each such assessment, together with such interest and such cost of collections, shall also be the continuing personal obligation of the owner of such property at the time when the assessment became due.
- b. Purpose of Assessments. The assessments levied by the association shall be used exclusively for the purposes of maintaining the subject property, promoting the health, safety, and welfare of the residents of the subject property, and carrying out the responsibilities of the association, including but not limited to the payment of taxes, insurance, and other costs and expenses incident to the ownership of the common area and the activities of the association and for the improvement and maintenance of the common areas and other parts of subject property. No part of any assessment shall be used by the developer to complete the development of the subject property.
- c. Amount of Annual Assessments. The amount of the annual assessment shall be determined by the board of directors. The amount of the annual assessment shall be determined by the board at the initial meeting of the board, or at any annual meeting or any special meeting called for the purpose. Notice of any special meeting for such purpose shall be given in writing to all board members at least twenty one (21) days in advance of the date set for such special meeting. The amount of the annual assessment shall in no case be less than an amount determined (taking into consideration existing cash reserves and the need to maintain future reasonable assessments) by the developer or the board, as the case may be, to be necessary to defray all costs and expenses of the association in meeting its obligations and fulfilling its duties under the declaration and the by-laws for the following year. The amount of the annual assessment shall be uniform for all lot ownerships.
- d. Special assessments for Extraordinary Items. In addition to the annual assessments authorized subsection (c) hereof, the board of directors may levy in any assessment year, applicable to that year only, a special assessment which shall be assessed uniformly against each lot ownership in the association for the purpose of defraying, in whole or in part the cost of any extraordinary construction or reconstruction, unexpected or emergency repair, replacement, rehabilitation or maintenance of the common areas including the retention pond areas.
- e. Special Assessments for Labor and Materials Expended for the Benefit of Individual Lot Ownerships. In the event that any owner shall fail to perform any covenant, duty, responsibility or obligation imposed upon him by this declaration with respect to the

condition of his lot, the board may, after providing such owner with at least ten days' notice of its intent to do so, cause any work and material necessitated by such failure to be undertaken and provided by reputable and competent persons for the account of such owner and shall levy a special assessment against such owner and his lot ownership for the purpose of defraying the cost thereof. Any such assessment shall be treated and enforceable in the same manner as annual assessments authorized to be levied by the association. The board may, before exercising its authority hereunder, call a special meeting of the association to consider the necessity for such action. Each owner, by acceptance of a deed to his lot ownership, shall be deemed to consent to the terms of this section and grant such rights of entry and access to his lot as may be necessary or appropriate to carry out its provisions.

This notice required to be given pursuant to this section may be delivered either personally or by mail to the voting member representing such lot ownership at the address given to the board for the purpose of serving such notice, or to the lot ownership of the owner if no voting member address has been given to the board.

- f. Quorum for Any Action Authorized Under (c) and (d) of this Section. The quorum required for any action authorized in this section 6, subsections (c) and (d) hereof shall be as hereinafter set forth:

At the first meeting of voting members called pursuant to said preceding subsections (c) and (d) of this article 5, the presence in person or by proxy of voting members entitled to cast two-thirds of all the votes of the association shall constitute a quorum if the required quorum is not forthcoming at such meeting, subsequent meetings may be called, subject to the notice requirement in said subsections (c) and (d) until a quorum of three-quarters of the required quorum at the first such meeting is met.

- g. Date of Assessment. The developer, until the first annual meeting of voting members, and thereafter, the board, shall fix the date of commencement and the date or dates of payment of the annual assessment against each lot at least twenty-one (21) days in advance of such date or period and shall, at that time, prepare a roster of the lots and assessments applicable thereto which shall be open to inspection by any owner. Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The due date of any special assessments shall be fixed by the board. The board may require any annual or special assessment to be paid in such installments as it may deem appropriate.

- h. Effect of Non-Payment of Assessment: Remedies of Association. If an assessment is not paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, be a continuing lien on the lot in favor of the association which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives, successors and assigns until paid. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation and that of his personal representatives but his personal obligation shall not pass to his successors in title unless expressly assumed by them, although the delinquent assessment will remain a lien on the land until satisfied. If an assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at an interest rate of one percent (1%) per month, and the

association may bring an action against the owner personally obligated to pay the same or to foreclose the lien against the property, or both, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court, together with the costs of the action. Until all defaults are cured, membership rights shall be suspended, including, but not limited to, voting rights.

- i. Subordination of the Lien to Certain Encumbrances. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or trust deed in the nature of a mortgage now or hereafter placed upon the property subject to assessment: provided, however, that such subordination shall apply only to the assessment which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.
7. By-Laws. The association may adopt such by-laws, not inconsistent with the provisions of the declaration, as are necessary to fulfill its functions. Unless and until such by-laws are adopted, the declaration shall serve as the by-laws of the association. The fiscal year of the association shall be determined by the association, and may be changed from time to time as the association deems advisable. The association shall not be deemed to be conducting a business of any kind, and all funds received by the association shall be held and applied by it for the use and benefit of the owners and the subject property in accordance with the provisions of the declaration.