

BY-LAWS

MONEY HILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location

Section 1. Name and Location. The name of this Association is as follows:

MONEY HILL HOMEOWNERS ASSOCIATION, INC.

Its principal office is initially located at:

100 Country Club Dr.  
Abita Springs, LA 70420

ARTICLE II

Definitions

Section 1. Developer. "Developer", as used herein, shall mean and shall refer to Money Hill Plantation Limited Partnership.

Section 2. The Project. The "project" as used herein, means that certain community being developed by the Developer in St. Tammany Parish, Louisiana, known as "Money Hill Plantation".

Section 3. Act of Dedication. "Act of Dedication" as used herein, means that certain Act of Dedication of Servitudes, Privileges and Restrictions made the 12th day of December, 1997, by the Developer and which Act of Dedication was recorded under Instrument No. 1074961 with the Clerk of Court for St. Tammany Parish, Louisiana, and any annexations made pursuant to this Act.

Section 4. Association. "Association", as used herein, means MONEY HILL HOMEOWNERS ASSOCIATION, INC.

Section 5. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended all other terms used herein shall have the same meaning as they are defined to have in the Act of Dedication of Servitudes, Privileges and Restrictions.

## ARTICLE III

### Membership

Section 1. Membership. The Association shall have members as set forth in the Act of Dedication. Whenever in these By-Laws any action is required to be taken by a specified percentage of "the members" or "the then members", then such action shall be required to be taken by the specified percentage of the then outstanding cumulative Members as defined in the Act of Dedication.

Section 2. Lot Owner Is Member. Every person, group of persons, corporation, partnership, trust or other legal entity or any combination thereof, who is a record owner of a fee interest in any lot is a member of the Association by virtue of such ownership.

## ARTICLE IV

### Meeting of Members

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members of the Association shall be held at such time and place within St. Tammany Parish, as may be designated by the Board of Directors; provided, however, that the first annual meeting of members shall be held within three (3) years from the date of filing of the Articles of Incorporation of the Association. Thereafter, the annual meetings of the members shall be held each succeeding year on a date in September or October designated by the Board of Directors. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 6 of Article V of these By-Laws. The members may also transact such other business as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by at least twenty per cent (20%) of the then members having been presented to the Secretary; provided, however, that no special meeting shall be called, except upon resolution of the Board of Directors, prior to the first annual meeting of members as hereinabove provided for. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meeting. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Association, or if no such address appears, at his last known address, at least ten (10) but not more than ninety (90) days prior to such meeting. Notice by either such method shall be considered as notice served.

Attendance by a member at any meeting of the members shall be a waiver of notice by him of the time, place and purpose thereof.

Section 5. Quorum. The presence, either in person or by proxy, of members representing at least ten (10%) of the then members of record, shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because of lack of a quorum, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 7. Voting. At every meeting of the members, each member shall have the right to cast one vote on each question. The vote of the members representing fifty-one (51%) per cent of the total of the membership present at the meeting, in person or by proxy, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of the laws of the State of Louisiana, or of the Articles of Incorporation, or of the Act of Dedication or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the vote for such membership shall be cast on any particular issue then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association prior to the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or Partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 8. Proxies. A member may appoint any other member or the Developer or Management Agent as his proxy. In no case may any member (except the Developer or the Management Agent) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors before the appointed time of each meeting. Any proxy shall state the date of the particular meeting for which the same has been granted and shall be valid only for that particular meeting and any adjournment thereof. Unless

limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the member.

Section 9. Order of Business. The order of business at all regularly scheduled meetings of the members shall be:

- (a) Roll call and certificate of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Unfinished business.
- (g) New business.
- (h) Election or appointment of inspectors of election.
- (i) Election of directors.
- (j) Adjournment.

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

## ARTICLE V

### Directors

Section 1. Number and Qualifications. The affairs of the Association shall be governed by the Board of Directors composed of an uneven number of at least three (3) natural persons and not more than seven (7) natural persons, all of whom shall be members of the Association.

Section 2. Initial Directors. The initial Directors shall be selected by the Developer and need not be members of the Association and shall act as such until the first annual meeting of the members or until such time as their successors are duly chosen and qualified.

Section 3. Powers and Duties. The Board of Directors 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 law or by these By-Laws directed to be exercised and done by the members. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

To provide for the

(a) care, upkeep and surveillance of the common areas and community facilities in a manner consistent with law and the provisions of these By-Laws and the Act of Dedication.

(b) establishment, collection, use and expenditure of assessments and/or carrying charges from the members in a manner consistent with law and the provisions of these By-Laws and the Act of Dedication.

(c) designation, hiring and/or dismissal of the personnel necessary for the good working order of the common areas and community facilities and to provide services for the project in a manner consistent with law and the provisions of these By-Laws and the Act of Dedication.

(d) promulgation and enforcement of such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the common areas and community facilities as are designated to prevent unreasonable interference with the use of the common areas and community facilities by the members, all of which shall be consistent with law and the provisions of these By-Laws and the Act of Dedication.

(e) authorization, in their discretion, of patronage refunds from residual receipts when and as the same are reflected in the annual report.

Section 4. Budget. The Board of Directors, shall prepare and adopt an annual budget which shall include estimates of the funds required by the Association to meet its annual expenses for that period. The budget herein required to be prepared and adopted by the Board of Directors shall be in format consistent with the classification of the accounts of the Association as hereinafter in these By-Laws provided for, and may provide for sufficient estimates, on a monthly basis, to permit comparison to and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Association on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be available for examination by the members and by their duly authorized agents and attorneys, during normal business hours, for purposes reasonably related to their respective interests.

Section 5. Management Agent. The Board of Directors may employ for the Association a management agent (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing.

Section 6. Election and Term of Office. The term of the Directors named herein and in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of members and are duly qualified. The election of Directors shall be held by ballot, unless balloting is dispensed with by the unanimous consent of the members present at any meeting, in person or by proxy.

There shall be no cumulative voting. At the first annual meeting of the members, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed at two (2) years and the term of office of the other Director or Directors shall be fixed at (1) year. Directors shall hold office until their successors have been elected and hold their first meeting. In the alternative, the membership may, by resolution duly made and adopted at such first annual meeting, or at any subsequent annual meeting, elect to fix the term of each Director elected at such meeting at one (1)

year. Unless the members shall resolve to fix the term of office of each Director at one (1) year, at the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years.

Section 7. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 8. Removal of Directors. At a regular meeting, or special meeting duly called for such purpose, (but only after the first annual meeting of members, as hereinabove provided for) any Director may be removed with or without cause by the affirmative vote of the majority of the entire membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than sixty (60) days delinquent in payment of any assessments and/or carrying charges due the Association may be terminated upon resolution of the remaining Directors and the remaining Directors shall appoint his successor as provided in Section 7 of this Article.

Section 9. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to any Director who is also a member of the Association for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration are adopted by the Board of Directors before the services are undertaken.

Section 10. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within thirty (30) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present at such first meeting.

Section 11. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail or telephone, at least thirty (30) days prior to the day named for such meeting.

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

Section 13. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of

such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 14. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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

Section 16. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

## ARTICLE VI

### Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the members and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of a

corporation, including, but not limited to, the power to appoint committees from among the membership from time to time as he or she may, in his or her discretion, decide are appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform those duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association. The Secretary shall have custody of the seal of the Association; shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping (or causing to be kept) full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit (or causing the deposit) of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer may be a corporation.

## ARTICLE VII

### Liability and Indemnification

Section 1. Liability and Indemnification of Officers, Directors and Others. The Association shall indemnify and hold harmless any person who was or is a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action by or in the right of the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement (if such settlement has the prior approval of the then Board of Directors of the Association) actually and reasonably incurred by him 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 Association, and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; provided, however, that in case of actions by or in the right of the Association, the indemnity shall be limited to expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action and no indemnification shall be made in respect of any claim, issue or matter as to which such persons shall have been adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Association unless, and only to the extent that, the Court shall determine upon application, that, despite the adjudication of liability but in view of all of the



circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

To the extent that a director, officer, employee or agent of the Association has been successful on the merits, or otherwise, in defense of any such action, suit or proceeding, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Expenses incurred in defending any such action, suit or proceeding may be paid by the Association in advance of the final disposition thereof if authorized by the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding, 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 is entitled to be indemnified by the Association as authorized in this Section.

Neither the officers, nor the directors, nor the members of the Association shall have any personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and member free and harmless against any and all liability to others on account of any such contract or commitment.

The indemnification provided by this Section shall not be deemed exclusive of any other rights to which the person indemnified may be entitled under any agreement authorization of members or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and such indemnity shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his heirs and legal representatives.

Section 2. Common or Interested Directors. The directors shall exercise their powers and duties in good faith and with a view to the interests of the Association. No contract or transaction between the Association and one or more of its directors or officers, or between the Association and any other non-profit, business or foreign corporation, partnership, or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the common or interested director or officer was present at or participated in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes were counted for such purpose, if:

(a) the material facts as to his interest and as to the contract or transaction were disclosed or known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorized the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

(b) the material facts as to his interest and as to the contract or transaction were disclosed or known to the members entitled to vote thereon, and the contract or transaction was approved in good faith by vote of the members; or

(c) the contract or transaction was fair as to the Association as of the time it was authorized, approved or ratified by the Board of Directors, committee or members.

Common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

## ARTICLE VIII

### Management

Section 1. Management and Common Expenses. The Association acting by and through its Board of Directors, shall manage, operate and maintain the common areas and community facilities and, for the benefit of the members, shall enforce the provisions hereof and shall pay out of the common expense fund the following:

(a) the cost of providing water, sewer, electricity, heat, gas, garbage and trash collection, and/or other utility services for the common areas and community facilities; and

(b) the cost of fire and extended liability insurance on the common areas and community facilities and the cost of such other insurance as the Association may effect; and

(c) the cost of the services of a person or firm to manage the common areas and community facilities to the extent deemed advisable by the Association consistent with the provisions of the Act of Dedication and these By-Laws, together with the services of such other personnel as the Board of Directors of the Association shall consider necessary for the operation of the common areas and community facilities; and

(d) the cost of providing such legal and accounting services as may be considered necessary to the operation of the common areas and community facilities; and

(e) the cost of maintaining, replacing, repairing and landscaping the common areas and community facilities and such furnishings and equipment for the common areas and community facilities and the Board of Directors shall have the exclusive right and duty to acquire the same; and

(f) the cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association is required to secure or pay for by law,

or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the common areas or community facilities; and

(g) the amount of all taxes and assessments levied against the Association or upon any property which it may own, or which it is otherwise required to pay, if any; and

(h) the cost of funding all reserves established by the Association including, when appropriate, a general operating reserve and/or a reserve for replacements; and

(i) any amount necessary to discharge any lien or encumbrance levied against the common areas or community facilities, or any portion thereof.

Section 2. Management Agent. The Association may by contract in writing, delegate any of its ministerial duties, powers or functions to the Management Agent. Neither the Association nor the Board of Directors shall be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 3. Servitudes for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such licenses, servitudes and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the common areas and community facilities as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the common areas and community facilities and for the preservation of the health, safety, convenience and/or welfare of the members.

Section 4. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements, or resulting from water, which may leak or flow from any portion of the common areas or community facilities or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any member for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common areas or community facilities. No diminution or abatement of assessments or dues, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common areas or community facilities, or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section 5. House Rules. There shall be no violation of any rules for the use of the common areas or community facilities, or other "house rules", which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt such rules.

## ARTICLE IX

### Insurance

Section 1. Insurance. The Board of Directors shall obtain and maintain such insurance as the Board shall deem reasonably prudent or necessary.

## ARTICLE X

### Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of March every year, except for the first fiscal year of the Association which shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Association and its administration and shall specify the maintenance and repair expenses of the common areas and community facilities, services provided with respect to the same and any other expenses incurred by the Association. That amount of any assessment or dues required for payment of any capital expenditures or reserves of the Association may be credited upon the books of the Association to the "Paid-in-Surplus" account as a capital contribution by the members. The receipts and expenditures of the Association shall be credited and charged to other accounts under at least the following classifications:

(a) "Current Operations", which shall involve the control of actual expenses of the Association including reasonable allowances and necessary contingencies and working capital funds in relation to the assessments and expenses herein elsewhere provided for; and

(b) "Reserves for Deferred Maintenance", which shall involve the control of monthly funding and maintenance of such deferred maintenance costs and/or reserves as are approved by the Board of Directors from time to time; and

(c) "Reserves for Replacement", which shall involve the control of such reserves for replacement as are provided for in these By-Laws and as may from time to time be approved by the Board of Directors; and

(d) "Other Reserves", which shall involve the control over funding and charges against any other reserve funds which may from time to time be approved by the Board of Directors; and

(e) "Investments", which shall involve the control over investment of reserve funds and such other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and

(f) "Betterments" which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of a described capital improvement and/or for expenditures for additional capital improvements or personal property made or acquired by the Association with the approval of the Board of Directors.

Section 3. Auditing. At the close of each fiscal year, the books and records of the Association may be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Association shall furnish its members and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Association.

Section 4. Inspection of Books. The books and accounts of the Association and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association and/or their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any lot and/or its duly authorized agents or attorneys, during normal business hours, for purposes reasonably related to their respective interests.

Section 5. Principal Office - Change of Same. The principal office of the Association shall be as set forth in Article I of these By-Laws. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time.

Section 6. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President, and all checks shall be executed on behalf of the Association by such officers, agents, or other persons as are from time to time so authorized by the Board of Directors.

## ARTICLE XI

### Amendment

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of a majority of the members at any annual meeting or any special meeting of the members duly called for such purpose. Amendments may be proposed by any member of the Board of Directors or by petition signed by members representing at least twenty per cent (20%) of the then total membership and delivered to the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meeting of the members at which such proposed amendment is to be voted upon.

ARTICLE XII

Interpretation - Miscellaneous

Section 1. Conflict. These By-Laws are subordinate and subject in all respects to the provisions of the Act of Dedication. In the event of any conflict between these By-Laws and the Act of Dedication, the provisions of the Act of Dedication shall control.

Section 2. Notices. Unless another type of notice is herein elsewhere specifically provided for, any and all notices called for in these By-Laws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 4. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 6. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the plural the singular and the use of any gender shall be deemed to include all genders.

Adopted on this \_\_\_\_\_ day of \_\_\_\_\_, 2000, as the By-laws of Money Hill Homeowners Association, Inc.

\_\_\_\_\_  
Secretary