

**CODE OF BY-LAWS
OF
THE RIDGE AT THE LEGACY OWNERS ASSOCIATION, INC.
(the “Supplemental Association”)**

**ARTICLE I
Definitions**

Capitalized terms used in this Code of By-Laws of The Ridge at The Legacy Owner Association, Inc., (the “Supplemental By-Laws”) and not defined throughout these Supplemental By-Laws shall, have the meanings set forth in (i) the Master Declaration of Covenants and Restrictions of the Legacy recorded in the Office of the Recorder of Hamilton County, Indiana as amended from time to time and (ii) the Supplemental Declaration of Covenants and Restrictions of The Ridge at The Legacy recorded in the Office of the Recorder of Hamilton County, Indiana as amended from time to time.

**ARTICLE 2
Meetings of Members**

Section 2.01. Place of Meetings. All meetings of the Members shall be held at such place in Hamilton County, Indiana as may be designated by the Supplemental Board and specified in the respective notices or waivers of notice thereof.

Section 2.02. Annual Meeting. An Annual Meeting of the Members shall be held each year.

Section 2.03. Special Meetings. Special Meetings of the Members may be called by the President, by a Majority of the Supplemental Board, or by written petition which is signed by not less than ten percent (10%) of all of the Members and which describes the purpose for which the meeting is to be held. Within thirty (30) after the date of the delivery of such written request to the President or the Secretary by a Person or Persons entitled to call a Special Meeting, it shall be the duty of the President or the Secretary to give notice to the Members of such meeting, and, if such notice is not so given, the Person or Persons making such request may call a meeting by giving notice in the manner hereinafter provided. Business transacted at all Special Meetings shall be limited to the subjects stated in the call or waiver of notice, and matters germane thereto.

Section 2.04. Notice of Meetings. A written or printed notice stating the place, day and hour of the meeting, and, in the case of a Special Meeting, the purpose or purposes for which such meeting is called, shall be delivered or mailed by the Secretary or by the officer of Person calling the meeting to each Member at such address as appears on the records of the Supplemental Association at least ten (10) days before the date of the meeting. A Member may waive notice of any meeting in writing filed with the Secretary if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting shall constitute a waiver of notice of that meeting.

Section 2.05. Voting Lists. After fixing a record date for a notice of a meeting, the Secretary shall prepare a complete list of Members entitled to notice of a meeting of Members, containing the address of each Member. The Secretary shall prepare on a current basis through the time of the membership meeting a list of Members, if any, who are entitled to vote at the meeting, but are not entitled to notice of the meeting. Such lists may be inspected by any Member, for any proper purpose, at any reasonable time.

Section 2.06. Quorum of Members of the Supplemental Association. Each member is entitled to one (1) vote a quorum at any annual or special meeting of the Members shall be any combination of the Members who, collectively, hold at least 25% of the votes.

Section 2.07. Voting Rights. The members of the Supplemental Board shall be referred to throughout these Supplemental By-Laws as the Supplemental Directors(s). In any election of the Supplemental Directors, each Member shall have one (1) vote and no Member shall have the right to multiply the number of votes to which such Member may be entitled by the number of Supplemental Directors to be elected. A Majority of the votes cast at a meeting of the Members, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter that may properly come before the meeting, unless more than a Majority of votes cast is expressly required by law, the Supplemental Declaration, the Supplemental Articles or these Supplemental By-Laws.

Section 2.08. Multiple Owner. Where the Owner of a Lot constitutes more than one Person, or is a partnership, there shall be only one voting representative entitled to cast the vote allocated to that Lot. Those Persons constituting such Owner or the partners shall determine among themselves who shall be the voting representative for such Lot. In the event agreement is not reached, the vote attributable to such Lot shall not be cast.

Section 2.09. Voting by Corporation, LLC or Trust. Where a corporation, a limited liability company or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the corporation or limited liability company duly empowered by the Supplemental Board of such corporation or the managers or members of the limited liability company shall cast the vote to which the corporation or limited liability company is entitled.

Section 2.10. Proxies. A Member may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Member shall designate his attorney-in-fact in writing, delivered to an officer of the Supplemental Association prior to the commencement of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless a longer time is expressly provided in the proxy.

Section 2.11. Action Without a Meeting. Any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if, prior to the action, a consent in writing setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and such written consent is filed with the minutes of the proceedings of the Members. Such consent shall have the same effect as a unanimous vote of the Members.

Section 2.12. Meeting by Telephone and so on. Any or all of the Members may participate in a meeting by or through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

Section 2.13. Roster and Notice. The Supplemental Association, by and through its Secretary, shall maintain a current roster of all Members and the mailing address and legal description of the Lot owned by each Member.

A. The Supplemental Association shall also maintain any electronic mail addresses or facsimile (fax) numbers of those Members who have consented to receive notice by electronic mail or facsimile (fax). Electronic mail addresses and facsimile (fax) numbers provided by a Member to receive notice by electronic mail or facsimile (fax) shall be removed from the Supplemental Association's records when the Member revokes consent to receive notice by electronic mail or facsimile (fax). However, the Supplemental Association is not liable for an erroneous disclosure of an electronic mail address or a facsimile (fax) number for receiving notices.

B. The mailing addresses and legal descriptions maintained by a Supplemental Association under subsection (A):

- (1) shall be made available to a member of the Supplemental Association upon request;
- (2) may be used by a member of the Supplemental Association only for a purpose related to the operation of the Supplemental Association; and
- (3) may not be used by a member of the Supplemental Association for personal reasons.

C. Except as provided in above in Section 2.13(B), a Supplemental Association may not sell, exchange, or otherwise transfer information maintained by the Supplemental Association under this section to any person.

ARTICLE 3 **Supplemental Board**

Section 3.01. Functions. The business, the Limited Common Area, the Limited Common Facilities and affairs of the Supplemental Association shall be managed and controlled by a Supplemental Board from time to time constituted.

Section 3.02. Eligibility. No person shall be a Supplemental Director who is not a Member or a designee of Supplemental Declarant.

Section 3.03. Number. Prior to the Parcel Applicable Date, the number of Supplemental Directors comprising the Supplemental Board shall be three (3) in number, which number may

from time to time be increased by resolution adopted by not less than a Majority of the Supplemental Board. Subsequent to the Parcel Applicable Date, the number of Supplemental Directors comprising the Supplemental Board shall be five (5) in number, which number may from time to time be decreased by resolution adopted by not less than a Majority of the Supplemental Board, provided that in no event shall the number of Supplemental Directors subsequent to the Parcel Applicable Date be less than three (3) nor more than five (5) and no reduction in the number of Supplemental Directors shall have the effect of removing a Supplemental Director from office prior to the expiration of his term. In the event the number of Supplemental Directors is increased subsequent to the Parcel Applicable Date as provided herein, the election of the additional Supplemental Director or Supplemental Directors shall be by a vote of the Members entitled to elect such additional Supplemental Director or Supplemental Directors according to a procedure established by the Supplemental Board by resolution.

Section 3.04. Appointment. Prior to the Parcel Applicable Date, Supplemental Directors shall be appointed by Supplemental Declarant.

Section 3.05. Nomination. Subsequent to the Parcel Applicable Date, candidates for election to the Supplemental Board shall file a petition for candidacy, signed by not less than five (5) Members, with the Elections Committee at least three (3) weeks prior to the Annual Meeting. The Elections Committee shall provide all Members with a ballot containing the names of all bona fide candidates not less than ten (10) days before the Annual Meeting.

Section 3.06. Election. Subsequent to the Parcel Applicable Date, Supplemental Directors shall be elected at the Annual Meeting provided in Article 2. The Supplemental Board may, by resolution, establish such election procedures as it deems appropriate. Voting for the Supplemental Board shall be by secret written ballot. The ballot shall be prepared by the Elections Committee and shall contain the name of each Person nominated for election. Those Persons receiving the highest number of votes shall be elected.

Section 3.07. Term. Each Supplemental Director, other than a Supplemental Director appointed by Supplemental Declarant, shall serve for a term of one (1) year or until his successor is elected and qualified or until he has resigned or been removed. Incumbent Supplemental Directors shall be eligible for re-election and the number of years a person may serve as a Supplemental Director is not limited. A Supplemental Director appointed by Supplemental Declarant, including the Initial Supplemental Directors identified in Section 5.02 of the Supplemental Articles, shall serve until such Supplemental Director dies, resigns or is removed by Supplemental Declarant.

Section 3.08. Resignation. Any Supplemental Director may resign at any time by giving written notice of such resignation to the President or the Secretary of the Supplemental Association. Such resignation shall take effect when the notice is effective unless the notice specifies a later effective date. The acceptance of a resignation shall not be necessary to make it effective.

Section 3.09. Removal. Subsequent to the Parcel Applicable Date, any Supplemental Director may be removed, with or without cause, in accordance with the provisions of the Act. Prior to the Parcel Applicable Date, any Supplemental Director may be removed and replaced by Supplemental Declarant for any reason and at any time, from time to time.

Section 3.10. Vacancies. Any vacancy occurring on the Supplemental Board caused by death, resignation, removal or otherwise, shall (i) prior to the Parcel Applicable Date, be filled by Supplemental Declarant and (ii) subsequent to the Parcel Applicable Date, be filled until the next Annual Meeting through a vote of a Majority of the remaining members of the Supplemental Board. If, subsequent to the Parcel Applicable Date, a Majority of the remaining members of the Supplemental Board cannot agree on a Person to fill any such vacancy, a Special Meeting of the Members shall be called to elect a Person to fill such vacancy. A Supplemental Director elected to fill a vacancy shall hold office until the expiration of the term of the Supplemental Director causing the vacancy or until his successor has been elected and qualified.

Section 3.11. Meetings. The Supplemental Board shall meet each year immediately after the Annual Meeting of the Members, at the place where such meeting of the Members has been held, for the purpose of organization, election of officers, and consideration of any other business which may properly be brought before the meeting. No notice shall be necessary for the holding of this Annual Meeting. If such meeting is not held as above provided, the election of officers may be held at any subsequent meeting of the Supplemental Board specifically called in the manner provided in Section 3.12. The Supplemental Board may provide by resolution the time and the place, either within or without the State of Indiana, for the holding of additional regular meetings of the Supplemental Board without other notice than such resolution. Special Meetings of the Supplemental Board may be called by the President and shall be called by order thereof upon the written request of not less than two (2) Supplemental Directors, which request shall set forth the business to be conducted at such meeting.

Section 3.12. Notice of Meetings. Notice of all meetings of the Supplemental Board, except as herein otherwise provided, shall be given by mailing, telephoning, telegraphing or delivering personally the same at least two (2) days before the meeting to the usual business or residence address of the Supplemental Director as shown upon the records of the Supplemental Association. Notice of any meeting of the Supplemental Board may be waived in a document filed with the Secretary by any Supplemental Director if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting of the Supplemental Board shall constitute a waiver of notice of that meeting, except where a Supplemental 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. Any meeting of the Supplemental Board may adjourn from time to time to reconvene at the same place or some other place. No notice need be given of any such adjourned meeting.

Section 3.13. Quorum. A quorum of the Supplemental Board of Supplemental Directors at any Annual Meeting or Special Meeting of the Supplemental Board shall be a Majority of the duly qualified members of the Supplemental Board then occupying office, but in no event less than two (2) Supplemental Directors, except that, subsequent to the Parcel Applicable Date, in filling vacancies a Majority of the remaining Supplemental Directors (but not less than two (2)

Supplemental Directors) shall constitute a quorum. The act of a Majority of the Supplemental Directors present at a meeting, who constitute a quorum, shall be the act of the Supplemental Board unless otherwise provided by the Act, the Supplemental Declaration, any Plat or other Development Instrument, the Supplemental Articles, or these Supplemental By-Laws. In the absence of a quorum, the Supplemental Directors present may, by Majority vote of those present, adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting for which notice was originally given.

Section 3.14. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Supplemental Board or any committee thereof may be taken without a meeting if the action is taken by all members of the Supplemental Board or such committee. The action must be evidenced by at least one (1) written consent describing the action taken signed by each member of the Supplemental Board or such committee, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 3.15. Meeting by Telephone and so on. Any or all of the members of the Supplemental Board or of any committee designated by the Supplemental Board may participate in a meeting by or through the use of any means of communication by which all persons participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

Section 3.16. Committees. The Supplemental Board, by resolution adopted by a Majority of the Supplemental Board, may designate one or more committees, each of which shall consist of two (2) or more Supplemental Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Supplemental Board in the management of the Supplemental Association. Other committees not having and exercising the authority of the Supplemental Board in the management of the Supplemental Association may be designated by a resolution adopted by a Majority of the Supplemental Directors present at a meeting at which a quorum is present. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Supplemental Board, or any individual Supplemental Director, of any responsibility imposed upon it or him by law. Subsequent to the Parcel Applicable Date, the Supplemental Board shall annually establish an Elections Committee which shall be responsible for the conduct of the election of the Supplemental Board pursuant to Sections 3.05 and 3.06.

Section 3.17. Powers. All of the corporate powers, except as otherwise provided herein or by law, shall be vested in and shall be exercised by the Supplemental Board. Said powers shall include, but not be limited to:

(A) The power to adopt, publish, and enforce rules and regulations governing the use of the Limited Common Area and Limited Common Facilities within the Parcel;

(B) The power to lease or purchase for the benefit of the Members such property, equipment, materials, labor and services as may be necessary in the judgment of the Supplemental Board;

(C) The power to exercise the powers and perform the duties of the Supplemental Association granted to, imposed upon, or authorized or permitted it by the Declaration or Supplemental Declaration, the exercise of which is not reserved or committed to the membership by the Supplemental Articles or Supplemental By-Laws;

(D) The power to make and collect (1) Parcel General Assessments, (2) Architectural Control Assessments (to the extent levied), (3) Special Assessments, (4) Capital Assessments and (5) Violation Assessments, as provided in the Supplemental Declaration, and charges, establish and collect membership dues, and levy and collect fines for the violation of rules and regulations governing the use of the Limited Common Area and Limited Common Facilities within the Parcel;

(E) The power to employ legal counsel, architects, contractors, accountants, consultants, managers, independent contractors and others as in the judgment of the Supplemental Board may be necessary or desirable in connection with the maintenance, repair, replacement, restoration, and operation of the Limited Common Area and Limited Common Facilities within the Parcel and the business and affairs of the Supplemental Association.

(F) After the Amenity Applicable Date, as that term is defined in the Amenity Declaration, the Supplemental Board shall select one of its Supplemental Directors to serve on the Amenity Board of Directors per the terms of the Amenity Declaration, Amenity Articles and Amenity Bylaws. The Amenity Selected Director may be removed and replaced at anytime by a majority of the Supplemental Board.

(G) After the Applicable Date, as that term is defined in the Declaration, the Supplemental Board shall select one of its Supplemental Directors to serve on the Corporate Board per the terms of the Declaration, Corporate Articles and the Corporate Bylaws. The Corporate Selected Director may be removed and replaced at anytime by a majority of the Supplemental Board.

Section 3.18. Duties. It shall be the duty of the Supplemental Board to:

(A) cause the Limited Common Area and Limited Common Facilities within the Parcel to be maintained in good, clean, attractive and sanitary condition, order and repair to the extent the responsibility therefore has been vested in the Supplemental Association by the Declaration, the Supplemental Declaration or action by the Corporation;

(B) as it deems necessary, adopt and publish rules and regulations, including fees, if any, governing the use of the Limited Common Area and Limited Common Facilities within the Parcel, and the personal conduct of the Members, their tenants and guests;

(C) cause to be kept a complete record of all its corporate affairs, making such records available for inspection by any Member or his authorized agent, and present an annual report thereof to the Members;

(D) supervise all officers, agents and employees of the Supplemental Association and see that their duties are properly performed;

(E) issue upon demand by any Member a certificate setting forth whether or not any Assessment under the Supplemental Declaration has been paid and giving evidence thereof for which a reasonable charge may be made;

(F) designate depositories for the funds of the Supplemental Association, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Supplemental Association, and cause such persons to be bonded, as it may deem appropriate;

(G) approve the Supplemental Association's Annual Budget;

(H) fix annual Parcel General Assessments at amounts sufficient to meet the obligations imposed by the Supplemental Declaration;

(I) annually set the date(s) Assessments under the Supplemental Declaration are due and decide what, if any, interest rate is to be applied to Assessments which remain unpaid thirty (30) days after they become due;

(J) send written notice of each Assessment under the Supplemental Declaration to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment or first installment thereof;

(K) cause the lien against any property for which Assessments under the Supplemental Declaration are not paid within the grace period specified in the Supplemental Declaration to be foreclosed or cause an action at law to be brought against the Owner personally obligated to pay the same;

(L) procure and maintain adequate insurance to protect the Supplemental Association, its employees and its personal and real properties;

(M) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Declaration and Supplemental Declaration;

(N) appoint such committees are prescribed in Section 3.16;

(O) faithfully observe and perform each duty imposed on the Supplemental Association by the terms of the Declaration and the Supplemental Declaration and exercise such discretion granted to the Supplemental Board thereunder in the best

interests of the Members; and

(P) exercise their powers and duties in good faith, with a view to the interests of the Supplemental Association.

Section 3.19. Non-Liability of Supplemental Directors. No Supplemental Director shall be liable to any Person for any error or mistake of judgment exercised in carrying out his duties and responsibilities as a Supplemental Director, unless (a) the Supplemental Director has breached or failed to perform the duties of his office in compliance with the Act and (b) the breach or failure to perform constitutes willful misconduct or recklessness. The Supplemental Association shall indemnify and hold harmless each of the Supplemental Directors against any and all liability to any Person arising out of contracts made by the Supplemental Board on behalf of the Supplemental Association, unless any such contract shall have been made in bad faith or is contrary to the provisions of the Act, the Supplemental Articles or these Supplemental By-Laws. It is intended that the Supplemental Directors shall have no personal liability with respect to any contract made by them on behalf of the Supplemental Association and as its agent.

Section 3.20. Indemnity of Officers and Supplemental Directors. To the extent not inconsistent with the laws of the State of Indiana, every Person (and the heirs, assigns and legal representatives of such Person) who is or was a Supplemental Director or an officer of the Supplemental Association shall be indemnified by the Supplemental Association as provided in the Act. To the extent the assets of the Supplemental Association are insufficient to satisfy its indemnification obligations hereunder, the Supplemental Board may levy a Special Assessment in the manner specified in the Supplemental Declaration to obtain such funds as may be required to satisfy such obligation.

Section 3.21. Transactions Involving Affiliates. No contract or other transaction between the Supplemental Association and one or more of its Supplemental Directors, or between the Supplemental Association and any Person (including the Declarant, or the Corporation) in which one or more of the Supplemental Directors are Supplemental Directors, officers, partners, or employees or are pecuniarily or otherwise interested, shall be void or voidable because such Supplemental Director or Supplemental Directors are present at the meeting of the Supplemental Board or any committee thereof which authorizes, approves or ratifies the contract or transaction, or because his or their votes are counted for such purpose if:

(A) the fact of the relationship or interest is disclosed or known to the Supplemental Board or committee, and the Supplemental Board or committee authorizes, approves, or ratifies such contract or transaction by a vote or consent sufficient for the purpose without counting the vote or consents of the interested Supplemental Director(s); or

(B) the fact of the relationship or interest is disclosed or known to the Members, and they authorize, approve or ratify the contract or transaction by a vote or written consent; or

(C) the contract or transaction is fair and reasonable to the Supplemental Association.

Affiliated or interested Supplemental Directors may be counted in determining the presence of a quorum of any meeting of the Supplemental Board or committee thereof which authorizes, approves or ratifies any contract or transaction.

Section 3.22. Insurance. The Supplemental Board, or its duly authorized agent, shall have the authority to and shall obtain insurance for all of the structures located in the Limited Common Area or Limited Common Facilities within the Parcel, whether owned or leased by the Supplemental Association, against loss or damage by fire or other hazards commonly insured against in similar properties in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard, and shall also obtain a broad form public liability policy covering all damage or injury caused by the negligence of the Supplemental Association or any of its agents. All such insurance policies shall contain a provision that all Members shall, in appropriate circumstances, be able to recover damages as claimants under such insurance. Premiums for all such insurance shall be included in the Parcel General Assessment.

Section 3.23. Insured Loss, Damage or Destruction. In the event of loss, damage or destruction by fire or other peril, the Supplemental Board shall (unless otherwise agreed by two-thirds (2/3) of the Supplemental Directors then serving), upon receipt of the insurance proceeds, contract to rebuild or repair damaged or destroyed portions of the insured property to its condition before such damage. All such insurance proceeds (if the amount of such proceeds exceeds \$5,000.00) shall be deposited in a bank or other financial institution, the accounts of which are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signatures of at least one-third (1/3) of the members of the Supplemental Board, or by their duly authorized agent. In such event, the Supplemental Board shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed structure or structures. In the event that the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as previously existed, the Supplemental Board may levy a Special Assessment in the manner specified in the Supplemental Declaration to make up any deficiency. Excess insurance proceeds, if any, shall become a part of the Supplemental Association's reserve for replacements.

Section 3.24. Uninsured Loss, Damage or Destruction. In the event of loss, damage or destruction to the Limited Common Area and Limited Common Facilities caused by perils not covered by standard insurance described in Section 2.04(D) of the Supplemental Articles, the Supplemental Board may levy a Special Assessment in the manner specified in the Supplemental Declaration to make up any deficiency created by such uninsured loss.

Section 3.25. Compensation. No Supplemental Director shall receive any compensation for any service he may render to the Supplemental Association. He may, however, be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE 4

The Officers of the Supplemental Association

Section 4.01. Officers and Agents. The officers of the Supplemental Association shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Supplemental Board of Supplemental Directors may, by resolution, designate from time to time. Any two or more offices may be held by the same person. The Supplemental Board may, by resolution, create, appoint and define the duties and fix the compensation of such officers and/or agents as, in its discretion, is deemed necessary, convenient or expedient for carrying out the purposes for which the Supplemental Association is formed; but such officers and agents shall be compensated only for actual services performed on behalf of the Supplemental Association.

Section 4.02. Election, Term of Office and Qualifications. The officers shall be chosen annually by the Supplemental Board. Each officer shall hold office (unless he resigns, is removed or dies) until the next Annual Meeting of the Supplemental Board or until his successor is chosen and qualified.

Section 4.03. Vacancies. In the event an office of the Supplemental Association becomes vacant by death, resignation, retirement, disqualification or any other cause, the Supplemental Board shall elect a Person to fill such vacancy, and the Person so elected shall hold office and serve (unless he resigns, is removed or dies) until the next Annual Meeting of the Supplemental Board or until the election and qualification of his successor.

Section 4.04. President. The President, who shall be chosen from among the membership of the Supplemental Board, shall preside at all meetings of the Supplemental Board, if present; shall appoint the chairman and members of all standing and temporary committees, subject to the review of the Supplemental Board; shall be the executive officer of the Supplemental Association; shall have and exercise general charge and supervision of the affairs of the Supplemental Association; and shall do and perform such other duties as these Supplemental By-Laws provide or as may be assigned to him by the Supplemental Board.

Section 4.05. Vice President. Any Vice President may perform all duties incumbent upon the President during the absence or disability of the President and shall perform other duties as these Supplemental By-Laws may require or as may be assigned to him by the President or the Supplemental Board.

Section 4.06. Secretary. The Secretary shall have the custody and care of the corporate records and the minute book of the Supplemental Association. He shall attend all of the meetings of the Supplemental Board and the Members, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of such meetings,

and shall perform a like duty for all standing committees of the Supplemental Board when required. He shall attend to the giving and serving of all notices of the Supplemental Association, shall file and take care of all papers and documents belonging to the Supplemental Association, shall authenticate records of the Supplemental Association, as necessary, and shall perform such other duties as may be required by these Supplemental By-Laws or as may be prescribed by the Supplemental Board.

Section 4.07. Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Supplemental Association. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Supplemental Association. He shall immediately deposit all funds of the Supplemental Association coming into his hands in some federally-registered bank or other depository to be designated by the Supplemental Board, and shall keep such bank account in the name of the Supplemental Association. He shall furnish at meetings of the Supplemental Board, or whenever requested, a statement of the financial condition of the Supplemental Association and shall perform such other duties as may be required by these Supplemental By-Laws or as may be prescribed by the Supplemental Board or the President.

Section 4.08. Assistant Officers. The Supplemental Board may from time to time designate assistant officers who shall exercise and perform such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as may be prescribed by the Supplemental By-Laws, the Supplemental Board or the President.

Section 4.09. Removal. Any officer of the Supplemental Association may be removed from office, with or without cause, by the affirmative vote of two-thirds (2/3) of all the Supplemental Directors at any regular or Special Meeting of the Supplemental Board called for the purpose. Any officer whose removal is proposed shall be entitled to at least ten (10) days' notice in writing by mail of the meeting of the Supplemental Board at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Supplemental Board at such meeting.

Section 4.10. Resignation. Any officer or member of a committee may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, and, if no time be specified, at the time of its receipt by the President or Secretary of the Supplemental Association. The acceptance of a resignation shall not be necessary to make it effective.

ARTICLE 5

Design Standards and Architectural Control Committee

Section 5.01. Composition. The Design Standards and Architectural Control Committee shall be comprised of three (3) members elected by the Supplemental Board by a vote of a Majority of the Supplemental Directors then serving. Members of the Design Standards and

Architectural Control Committee may also simultaneously serve as a member of the Supplemental Board.

Section 5.02. Term. Prior to the Parcel Applicable Date, the members of the Design Standards and Architectural Control Committee shall serve until the earlier of (a) the date such member dies, resigns or is removed or (b) the Parcel Applicable Date. Subsequent to the Parcel Applicable Date, the members of the Design Standards and Architectural Control Committee shall serve for a term of one (1) year. Members shall be eligible for re-election.

Section 5.03. Removal; Vacancies. The Supplemental Board may remove and replace a member of the Design Standards and Architectural Control Committee at any time, with or without cause, by a vote of a Majority of the Supplemental Directors then serving. In the event of a vacancy on the Design Standards and Architectural Control Committee, the Supplemental Board shall, by a vote of a Majority of the Supplemental Directors then serving, elect a successor to serve the unexpired term.

Section 5.04. Organization. The Design Standards and Architectural Control Committee shall elect from among its membership a chairman, secretary and such other officers as it deems appropriate.

Section 5.05. Quorum. A quorum for action by the Design Standards and Architectural Control Committee shall be a Majority of its members, but in no event less than two (2) members.

Section 5.06. Duties. It shall be the duty of the Design Standards and Architectural Control Committee to regulate the external design, appearance, location and maintenance of the Parcel and of improvements thereon and to regulate such uses of property, all as provided in the Supplemental Declaration or any Plat or other Development Instrument.

Section 5.07. Procedures. The Design Standards and Architectural Control Committee may formulate general guidelines, procedures and regulations and submit them for approval to the Supplemental Board. Such guidelines, procedures and regulations shall be considered adopted policy of the Supplemental Board unless rejected by a two-thirds (2/3) vote of the Supplemental Board within thirty (30) days after the date of submission. The adopted guidelines, procedures and regulations shall be maintained by the Design Standards and Architectural Control Committee and the Design Standards and Architectural Control Committee shall act in accordance therewith.

ARTICLE 6

Loans to Officers and Supplemental Directors

Section 6.01. The Supplemental Association shall not lend money to or guarantee the obligations of any officer or Supplemental Director of the Supplemental Association.

ARTICLE 7

Corporate Books

Section 7.01. The Supplemental Association shall maintain all records required by the Act and shall permit the members to inspect and copy such records to the extent and on the conditions specified in the Act.

ARTICLE 8

Financial Affairs

Section 8.01. Contracts. The Supplemental Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Supplemental Association, and such authority may be general or confined to a specific instance; and unless so authorized by the Supplemental Board, no officer, agent or employee shall have any power or authority to bind the Supplemental Association by any contract or engagement, or to pledge its credit or render it liable pecuniary for any purpose or to any amount.

Section 8.02. Checks, Etc. All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money and other evidence of indebtedness shall, unless otherwise directed by the Supplemental Board or required by law, be signed by any one of the following officers, who are different persons: President, a Vice President, Secretary or Treasurer. The Supplemental Board may, however, designate officers or employees of the Supplemental Association, other than those named above, who may, in the name of the Supplemental Association, execute drafts, checks and orders for the payment of money on its behalf.

Section 8.03. Investments. The Supplemental Association shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Supplemental Board.

Section 8.04. Reserve for Replacements. From time to time the Supplemental Board, in its discretion, may establish and maintain a reserve fund for replacements by the allocation from the Parcel General Assessment and the payment to such reserve fund of an amount determined annually by the Supplemental Board in its sole discretion to be sufficient to meet the cost of periodic significant capital repairs, renewals and replacements of the Limited Common Facilities. In determining the amount, the Supplemental Board shall take into consideration the expected useful life of the Limited Common Facilities, projected increases in the cost of materials and labor, interest to be earned by such fund and the advice of the Supplemental Declarant, managing agent or any consultants the Supplemental Board may employ. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Supplemental Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

Section 8.05. Fiscal Year. The fiscal year of the Supplemental Association shall be commence on January 1 in each year.

Section 8.06. Assessment Year. The assessment year of the Association shall be the same as the fiscal year established in Section 8.05.

ARTICLE 9 **Amendments**

Section 9.01. Subject to the provisions of Section 7.04 of the Supplemental Articles, the power to make, alter, amend or repeal the Supplemental By-Laws is vested in the Supplemental Board, which power shall be exercised by affirmative vote of a Majority of the Supplemental Directors present at any meeting of the Supplemental Board. Any proposed amendment shall be included in the notice of such meeting.

ARTICLE 10 **Conflicts**

Section 10.01. In the event of a conflict between these Supplemental By-Laws and the Supplemental Declaration, the Supplemental Declaration shall control.