

BYLAWS
OF
CORINTHIAN POINT YACHT AND RACQUET CLUB, INC.
A NONPROFIT CORPORATION

(Adopted May 24, 1984)

ARTICLE I
OFFICES

1.01. The principal office of the corporation shall be at 305 Lakepoint Drive, in Willis, County of Montgomery, State of Texas, and the name of the registered agent of the corporation at such address is W. H. McAlister.

1.02. The corporation may also have offices at such other places, within or in the vicinity of the "Subdivisions" (as defined in the articles of incorporation), as the board of directors may determine or as the business and affairs of the corporation may require from time to time.

1.03. The corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the board of directors.

ARTICLE II
AUSPICES AND PURPOSES

2.01. The corporation shall be an independent, nonprofit corporation serving its members.

2.02. The purposes and powers of the corporation shall be as set forth in the articles of incorporation, as the same may from time to time be amended; provided, however, all specific and general purposes and powers of the corporation and the implementation and/or exercise thereof are subject to these bylaws.

ARTICLE III

MEMBERS

3.01. The corporation shall have two classes of members. Such classes shall be designated as "Full Members" and "Social Members" (such two classes of members being hereinafter sometimes collectively referred to as "Members").

3.02. The qualifications of the Full Members shall be the ownership of the fee simple title to one or more lots, plots or tracts of land in the Subdivisions which is or may be improved with a single-family detached residential dwelling. Membership as a Full Member in the corporation shall be appurtenant to the ownership of record title to one or more lots in the Subdivisions and may not be separated from such ownership. The transfer of any membership of a Full Member not made as a part of a transfer

of record ownership of a lot shall be void. Whenever the legal ownership of any lot or lots passes from one person or entity to another, by whatever means, it shall be necessary for such person or entity acquiring such lot or lots to apply for membership as a Full Member in the corporation but it shall not be necessary that an instrument in writing provide for transfer of membership of a Full Member in the corporation and a certificate of membership of a Full Member in the corporation shall not be issued unless the board of directors shall have provided for the issuance of certificates of membership under the provisions of section 10.01 of Article X of these bylaws. In all questions as to eligibility and requirement of membership as a Full Member in the corporation, the holding of record legal title to one or more lots in the Subdivisions reflected in the Deed Records of Montgomery County, Texas shall be dispositive of such question. Each owner of a lot listed upon Exhibit A attached hereto (the initial Full Members) shall not be required to apply for membership in the corporation or required to pay any initiation fee whatsoever for his membership in the corporation; such initial Full Members constituting all of the owners of record title to one or more lots in the Subdivisions on the date of the adoption of these bylaws. All Full Members shall be subject to the dues, charges, assessments and liens hereinafter provided for in these bylaws or in the applicable "Restrictions" (as defined in the articles of incorporation). Upon any Full Member ceasing to be the owner of at least one lot

comprising a part of the Subdivisions, such former Full Member's membership in the corporation and all rights incidental thereto shall automatically cease and (x) in the case of the sale or other transfer pass to such former Full Member's successors or assigns; (y) in the case of such former Full Member's death pass to such former Full Member's heirs or personal representatives. The share of a Full Member in the funds and assets of the corporation cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Full Member's lot or lots and upon any Full Member ceasing to be the owner of at least one lot comprising a part of the Subdivisions, such former Full Member's membership shall cease and pass as provided in the immediately preceding sentence unto such former Full Member's heirs, personal representatives, successors or assigns, as the case may be, and such former Full Member shall have no further interest in the funds and assets of the corporation. In any instance where an owner of record title to more than one lot in the Subdivisions retains ownership of at least one lot and transfers title to one or more other lots, such owner shall remain a Full Member so long as he continues to own at least one lot and each person or entity acquiring title from such owner to any one or more lots in the Subdivisions shall be required to apply for and become a Full Member in the corporation separately. It is the express intent of these bylaws that a membership as a Full Member shall be available to and required of the owner of each lot in the Subdivisions; provided, however,

ownership by an individual or entity of more than one lot in the Subdivisions shall never entitle such individual or entity to more than one membership as a Full Member (or otherwise) in the corporation.

3.03. The qualification of the Social Members shall be the ownership of (x) the fee simple title to one or more condominium units in the "Condominium Developments" (as defined in the articles of incorporation), (y) the fee simple title to one or more condominium, townhouse or similar type of unit in any future condominium, townhouse or similar type of development contemplated by subsection (iv) of Section C of Article Four of the articles of incorporation, or (z) a leasehold estate in one or more residential units in any multi-family development contemplated by subsection (v) of Section C of Article Four of the articles of incorporation. Membership as a Social Member in the corporation shall be appurtenant to the ownership of fee or leasehold title as described in the immediately preceding sentence and may not be separated from such ownership. The transfer of any membership of a Social Member not made as a part of the transfer of ownership of such fee or leasehold interest, as the case may be, shall be void. Whenever the legal ownership of any such fee or leasehold ownership passes from one person or entity to another, by whatever means, it shall be necessary for such person or entity acquiring such fee or leasehold interest to apply for membership as a Social Member in the corporation (if such person or entity desires Social

Membership in the corporation) but it shall not be necessary that an instrument in writing provide for transfer of membership of a Social Member in the corporation and the certificate of membership of a Social Member in the corporation shall not be issued unless the board of directors shall have provided for the issuance of certificates of membership under the provisions of Section 10.01 of Article X of these bylaws. In all questions as to the eligibility of membership as a Social Member in the corporation, the holding of one or more fee or leasehold estates as described in the first sentence of this Section 3.03 of these bylaws shall be dispositive of such question. Each owner of a condominium unit listed upon Exhibit B attached hereto (the initial Social Members) shall not be required to apply for membership in the corporation or required to pay any initiation fee whatsoever for his membership in the corporation; such initial Social Members constituting all of the owners of record title to one or more condominium units in the Condominium Developments on the date of the adoption of these bylaws. All eligible Social Members who elect to become Social Members shall be subject to the dues, charges and assessments applicable to Social Members as hereinafter provided for in these bylaws. Upon any Social Member ceasing to be the owner of at least one fee or leasehold estate as contemplated by this Section 3.03 of these bylaws, such former Social Member's membership in the corporation and all rights incident thereto shall automatically cease and be available to such Social Member's successor in title

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In accordance with and subject to the provisions of these bylaws. The share of a Social Member in the funds and assets of the corporation cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Social Member's fee or leasehold estate, as the case may be, and upon any Social Member ceasing to be the owner of at least one fee or leasehold estate as contemplated by this Section 3.03 of these bylaws, such former Social Member's membership shall cease and be available to such former Social Member's successor in ownership. In any instance where an owner of more than one fee and/or leasehold estate as contemplated by this Section 3.03 of these bylaws retains at least one fee or leasehold estate and transfers one or more fee or leasehold estates, such owner shall remain a Social Member so long as he continues to own at least one fee or leasehold estate and each person or entity acquiring a fee or leasehold estate, as the case may be, shall be eligible to become a Social Member in the corporation separately. It is the express intent of these bylaws that a membership as a Social Member shall be available to the owner of each fee or leasehold estate as contemplated by this Section 3.03 of these bylaws; provided, however, ownership by any individual or entity of more than one fee or leasehold estate as contemplated by this Section 3.03 of these bylaws shall never entitle such individual or entity to more than one membership as a Social Member (or otherwise) in the corporation. Social Membership in the corporation shall also be available to each owner of one or

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more lots in any "Additional Subdivisions" contemplated by Section B of Article Four of the articles of incorporation if the corporation elects not to and does not acquire the common areas and facilities in any such future subdivision described in Section B of Article Four of the articles of incorporation.

3.04. Any person or entity that has satisfied the qualifications set forth above shall automatically and without further action or deed become a Member, and each Member shall be entitled to one vote on each matter submitted to a vote of the Members, except to the extent that the voting rights of Members are limited or denied by the articles of incorporation or by these bylaws.

3.05. The voting rights and privileges of membership of any Member who shall be in default in the payment of any dues, charges or assessments under or by virtue of these bylaws or the Restrictions for ninety (90) days or more on or after July 1, 1984 shall be automatically suspended; provided that, such voting rights and privileges of membership shall be automatically restored upon the payment of the delinquent dues, charges, assessments and any other sums due and payable as determined by the board of directors. Further, the voting rights and privileges of membership of any Member who shall be delinquent in paying club dues or charges to Corinthian Point Yacht and Racquet Club as operated by "Developer" (as defined in the articles of incorporation) or assessments under the Restrictions for sixty (60) days or more on July 1, 1984 shall be automatically suspended; provided that, such voting rights and

~~privileges of membership shall be automatically restored upon the~~
payment to Developer of the delinquent club dues, charges and
assessments under the Restrictions, ~~to Developer~~. Additionally, ^{ART 2 J}
the board of directors shall have the right and authority, by
affirmative vote of a majority of all of the directors, to suspend
the voting rights and privileges of membership of any Member in
the event that such Member or his family or his guests are in
violation of any of the published rules and regulations of the
board of directors; provided that, such voting rights and privileges
of membership shall be automatically restored upon the expiration
of thirty (30) days following the board of directors suspension
of such Member's voting rights and privileges of membership for
any such infraction unless the board of directors extends the
period of such suspension. The board of directors shall have the
right and power from time to time to suspend the voting rights
and privileges of membership of any Member who is in violation of
any condition of the Restrictions (other than the payment of charges
or assessments as provided hereinabove for which automatic suspen-
sion is provided). Notwithstanding the foregoing, no suspension
of a Member's voting rights or privileges shall operate to deny
utilization by such Member of the marina for any period that any
such Member shall have prepaid the applicable "Marina Charge" (as
hereinafter defined).

3.06. Upon written request signed by a Member whose member-
ship rights have been suspended in accordance with Section 3.05

of this Article III and filed with the secretary, the board of directors may, by the affirmative vote of a majority of the members of the board, reinstate the membership rights of such Member on such terms as the board of directors may deem appropriate; provided, however, the board of directors shall not be authorized to reinstate the membership rights of a Member whose rights have been suspended for nonpayment of sums required to be paid pursuant to Section 3.05 or Article VIII of these bylaws unless and until all sums required to be paid by such Member have been paid.

3.07. Membership in this corporation is not transferable or assignable, except as otherwise provided in these bylaws.

ARTICLE IV

MEETINGS OF MEMBERS

4.01. Meetings of Members for any purpose may be held at such time and place, within or in the vicinity of the Subdivisions, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or as shall otherwise be fixed from time to time by the board of directors, or, if the board of directors has not so specified, then at such place as may be fixed by the person or persons properly calling any meeting.

4.02. An annual meeting of the Members, commencing with the year 1985, shall be held on any date in October or November of each year which is not a legal holiday, at 4:00 o'clock p.m., or at such other date and time as shall be fixed from time to time

by the board of directors, at which time the Members shall elect a class of directors for the board of directors of the corporation to fill vacancies of the class of directors whose term is expiring and transact such other business as may properly be brought before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

4.03. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute or by the articles of incorporation or by these bylaws or by the Restrictions, may be called by a majority of the board of directors or Members having not less than one-tenth (1/10th) of the votes entitled to be cast at such meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of the meeting.

4.04. Written or printed notice of any meeting of Members stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than thirty (30) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary or the person or persons calling the meeting, to each Member entitled to vote at the meeting. If mailed, the notice of

the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member to his address as it appears on the records of the corporation, with postage prepaid thereon.

4.05. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

4.06. Members holding one-tenth (1/10th) of the votes of all Members entitled to be cast at a meeting, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Members for the transaction of business except as otherwise provided by statute or by the articles of incorporation or by these bylaws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote thereat, present in person or represented by proxy, shall nevertheless have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

4.07. When a quorum is present at any meeting, the vote of the majority of the votes entitled to be cast by the Members present

in person or represented by proxy shall decide any question properly brought before such meeting, unless the question is one upon which, by express provision of the statutes or of the articles of incorporation or of these bylaws, a different vote is required in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing, in any instance where more Members have been nominated to fill vacant or expiring positions on the board of directors than there are vacant or expiring positions, such director or directors shall be elected by a plurality of votes cast even if not a majority. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

4.08. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing and acknowledged before a notary public by the Member or his duly authorized attorney-in-fact. No proxy shall be valid after thirty (30) days from the date of its execution and acknowledgment. Any such proxy shall be filed with the secretary of the corporation prior to or at the time of the meeting and shall be voted only as specifically provided in the proxy.

4.09. Each Member shall be entitled to one vote, in person or by proxy (subject to the provisions of Section 4.08 of these bylaws), in the corporation, regardless of the number of lots he owns within the Subdivisions or fee or leasehold estates contem-

plated by Section 3.03 of these bylaws he owns and regardless of the number of persons who hold an interest in said lot or lots or fee or leasehold estates. When more than one person owns an interest in any one or more lots or fee or leasehold estates, the one vote for such lot or lots or fee or leasehold estates shall be exercised as all such persons, among themselves, determine but in no event shall more than one vote be cast with respect to any such lot or lots or fee or leasehold estates. The voting rights of each Member shall commence upon the date on which one or more lots or one or more fee or leasehold estates as contemplated by Section 3.03 of these bylaws is conveyed to such Member, subject to the terms of these bylaws. With the exception of the initial Members listed on Exhibit A and Exhibit B, no Member shall be entitled to vote at any meeting of the corporation until such Member has presented evidence of record ownership of one or more lots in the Subdivisions or one or more fee or leasehold estates as contemplated by Section 3.03 of these bylaws to the board of directors. If record title to a lot or lots in the Subdivisions or to one or more fee or leasehold estates contemplated by Section 3.03 of these bylaws shall be in the name of two (2) or more persons, any one of such persons may vote as the Member at any meeting of the Members and such vote shall be binding on such other persons who are not present at such meeting until written notice to the contrary has been received by the board of directors in which case the unanimous action of all such persons (in person

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or by proxy) shall be required to cast their one vote. If two (2) or more of such persons are present at any meeting of the Members, they shall decide among themselves how their one vote shall be cast but unanimous action shall be required to cast their vote. A Member in default of any provisions of these bylaws or the Restrictions shall not be entitled to vote at any meeting of the Members so long as such Member's right to vote has been suspended by the corporation in accordance with the provisions of these bylaws.

ARTICLE V

BOARD OF DIRECTORS

5.01. The business and affairs of the corporation shall be managed and controlled by its board of directors who may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the articles of incorporation or by these bylaws directed or required to be exercised or done by the Members or the Architectural Control Committee. The board of directors shall have the maximum power and authority now or hereafter provided or permitted under the law of the State of Texas to directors of Texas nonprofit corporations, acting as a board, except that all such powers shall be exercised consistently with, or in furtherance of, the principal purposes of the corporation specified in the articles of incorporation and subject to the provisions of these bylaws.

5.02. The board of directors shall be elected by the Members, shall consist of five (5) directors and shall be composed of men or women who are Members of the corporation. The board shall be divided into two (2) classes. The term of office of two (2) directors comprising the first class shall expire at the annual meeting of the Members held in 1985, and the term of office of three (3) directors comprising the second class shall expire at the annual meeting of the Members held in 1986. At each annual meeting of the Members commencing in 1985, the successor or successors to the class of directors whose terms expire in that year shall be elected to hold office for a full term of two (2) years, so that the term of office of one class of directors shall expire in each year; provided, however, that the term of office of each director of each class shall continue until the election and qualification of the successor to such director; subject, however, to prior death, resignation, retirement, disqualification or removal from office.

5.03. If a vacancy occurs in the board of directors prior to the next annual meeting of the Members, such vacancy shall be filled by a Member designated and appointed by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. The number of directors which shall constitute the whole board may be changed by amendment to these bylaws, but no decrease shall have the effect of shortening

~~of directors be less than three (3).~~
of directors be less than three (3).

5.04. At any special meeting of Members called expressly for that purpose, any director or the entire board of directors may be removed either for or without cause, by a majority vote of all Members (exclusive only of Members whose voting rights are suspended at the time of such meeting), if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. Absence from three (3) consecutive regular board meetings by a director shall constitute the resignation of such director.

5.05. At each election for directors, every Member entitled to vote at such election shall have the right to vote, -in person or by proxy (subject to the requirements of Section 4.08 of these bylaws), for as many persons as there are directors to be elected. Cumulative voting shall not be permitted.

5.06. The regular annual meeting of each newly elected board of directors shall be held without further notice at 7:30 p.m. ten (10) days following the annual meeting of Members, and at the same place, unless by unanimous consent of the directors (including those elected) such time or place shall be changed. Thereafter, the board of directors shall meet quarterly, or at other regular intervals as determined by the board of directors. Such regular meetings of the board of directors may be held without

notice at such time and place as shall from time to time be determined by the board of directors.

5.07. Special meetings of the board of directors may be called by or at the request of the president on ten (10) days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of any two (2) directors. Special meetings of the board of directors shall be held at a place in the vicinity of the Subdivisions designated by the person or persons authorized to call such meeting. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a 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 on the ground that the meeting is not lawfully called or convened. The purpose of any special meeting of the board of directors shall be specified in the notice or waiver of notice of such meeting.

5.08. At all meetings of the board of directors, the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business. The act or vote of a majority of the directors present in person at any meeting at which a quorum is present shall be the act or vote of the board of directors, except as may be otherwise specifically provided by statute or by the articles of incorporation or by these bylaws. If a quorum shall not be present at any meeting of

directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

5.09. Any action required or permitted to be taken at a meeting of the board of directors or any committee designated by the board of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the board of directors or committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

5.10. Subject to the provisions required or permitted by statute or the articles of incorporation for notice of meetings, the board of directors, or members of any committee designated by the board of directors, may participate in and hold a meeting of the board of directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

5.11. Directors as such shall not receive any stated salaries for their services, but by unanimous vote of the board of directors a fixed sum and expenses of attendance, if any, may be allowed

for attendance at each regular or special meeting of the board of directors; but nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

5.12. ~~The board of directors shall be authorized to promulgate such rules and regulations from time to time as the board deems appropriate with respect to the use by Members, their families and guests of any swimming pool, tennis courts, clubhouse or other facilities hereafter owned by the corporation; provided, however, any such rules and regulations shall be either posted at the particular facility or otherwise communicated to the Members of the corporation.~~

ARTICLE ~~VII~~
OFFICERS

6.01. The officers of the corporation shall be elected by the directors and shall be a president, a vice president, a secretary and a treasurer and such additional vice presidents and assistant secretaries and assistant treasurers as the board of directors shall determine to be necessary. Any two (2) or more offices may be held by the same person, except that the offices of president and secretary shall not be held by the same person.

6.02. The president, a vice president, the secretary and the treasurer shall each be a member of the board of directors and shall be chosen from candidates limited to directors and nomi-

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nated by any director. The board of directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

6.03. The officers of the corporation shall be elected annually for one-year terms at the regular annual meeting of the board of directors. If the election of officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be and in any event on or before December 31 of each year. New offices may be created and filled at any meeting of the board of directors. Each officer shall hold office until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office.

~~6.04.~~ 6.04. Any officer or agent of the corporation may be removed at any time by the affirmative vote of a majority of the whole board of directors whenever in the judgment of the board the best interests of the corporation would be served thereby, or at any meeting of Members called expressly for that purpose, by a majority vote of all Members (exclusive only of Members whose voting rights are suspended at the time of such meeting), but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

6.05. A vacancy in any office because of death, resignation, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.

6.06. The president shall be chief executive officer of the corporation and shall in general supervise all of the business and affairs of the corporation. He shall preside at all meetings of the Members and the board of directors, shall see that all orders and resolutions of the board of directors are carried into effect and shall perform such other duties as the board of directors shall from time to time prescribe.

6.07. In the absence of the president or in the event of his inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents in order of their election) shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. Each vice president shall have such powers and perform such duties as the board of directors may from time to time prescribe or as the president may from time to time delegate to him.

6.08. The secretary shall attend all meetings of the Members and the board of directors and shall record all votes and the minutes of all proceedings in one or more books to be kept for that purpose. The secretary shall keep a register of the name and address of each Member and give, or cause to be given, notice required for annual meetings of the Members and special meetings

of the board of directors and shall perform such other duties as may be prescribed from time to time by the board of directors or the president. The secretary shall also be custodian of the corporate records of the corporation.

6.09. Each assistant secretary shall have such powers and perform such duties as the board of directors may from time to time prescribe or as the president or secretary may from time to time delegate to him.

6.10. The treasurer shall have charge and custody of and be responsible for all funds of the corporation and shall keep full and accurate books and records of account, including without limitation records of all receipts and disbursements. He shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the board of directors, or whenever it may require, an account of all his transactions as treasurer and of the financial condition of the corporation, and shall perform such other duties as from time to time may be assigned to him by the president or board of directors. If required by the board of directors, he shall (at the expense of the corporation) give the corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the board

of directors for the faithful performance of the duties of his office and for the restoration to the corporation in case of his death, resignation, retirement or removal from office, of all books, papers, records, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

6.11. Each assistant treasurer shall have such powers and perform such duties as the board of directors may from time to time prescribe or as the president or treasurer may from time to time delegate to him.

6.12. Officers as such shall not receive any stated salaries for their services; but nothing herein contained shall be construed to preclude any officer from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE VII

COMMITTEES

7.01. The board of directors shall have such standing, special and ad hoc committees and special task forces as it shall deem necessary to carry out the programs and activities of the corporation and as may be required by these bylaws or by the Restrictions. Except as otherwise provided in these bylaws or in the Restrictions, (a) such committees shall be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present, (b) membership on such committees may, but

need not, be limited to directors, and (c) members of such committees may be appointed by the president with the advice and consent of the board of directors and shall serve a one-year term or until an earlier date fixed by the appointment. However, except as otherwise provided in the Restrictions no such committee shall have any authority other than that expressly delegated to it by the board of directors. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed on it or him by law. Any member of a committee may be removed by the person or persons authorized to appoint such members whenever in their judgment the best interests of the corporation shall be served by such removal.

7.02. Unless otherwise provided in these bylaws, one member of each committee shall be appointed chairperson of such committee by the person or persons authorized to appoint the members thereof.

7.03. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

7.04. Unless otherwise provided in the Restrictions or these bylaws or in the resolution of the board of directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7.05. Each committee may adopt rules for its own government not inconsistent with these bylaws or with the Restrictions or with rules adopted by the board of directors.

7.06. The sole standing committee shall consist of the Architectural Control Committee.

7.07. The Architectural Control Committee will be composed of the president, vice president, secretary and treasurer, except as otherwise provided in the Restrictions. When the functions to be performed by the Architectural Control Committee have been turned over to it pursuant to the Restrictions, this committee will have the authority to grant or withhold architectural control approval as provided for in the Restrictions and will be responsible for furnishing other functions as set forth in the Restrictions unless and until such Architectural Control Committee shall be removed by the Full Members pursuant to the Restrictions.

7.08. The board of directors may retain attorneys, accountants and such other professional persons or firms as they, in their sole discretion, shall from time to time deem necessary or advisable.

ARTICLE VIII

DUES

8.01. The board of directors may determine from time to time the amount of any initiation fee (but not the conditions upon which such fee may be imposed) and any or all annual dues

payable to the corporation by its Members, except as otherwise provided in these bylaws. The board of directors may increase or decrease the amount of any or all annual "Dues" (as hereinafter defined) at any time and from time to time by the adoption of a resolution for such purpose, but no resolution increasing any such annual Dues shall become effective prior to the first day of January of the next succeeding calendar year nor increase the amount of any such annual Dues by more than fifteen percent (15%) for any given calendar year unless approved by a majority vote of the Members at a meeting (for which notice of the purpose thereof has been given as required by these bylaws) at which a quorum is present in person or by proxy (subject to the requirements of Section 4.08 of these bylaws) or unless permitted by the Restrictions. Should the board of directors fail to increase or decrease any or all annual Dues in any calendar year, then any such annual Dues for the next succeeding calendar year shall not be waived but shall remain the same and continue until increased or decreased as provided in these bylaws.

8.02. Dues shall be payable in advance on or before the first business day in each month, except as otherwise provided in these bylaws. Except as otherwise provided in these bylaws, Dues of a new Member shall be prorated from the first day of the month in which such new Member becomes a Member.

8.03. Dues shall consist of the Club Charge, the Marina Charge and the Maintenance Fund Charge (the "Dues").

8.04. The Club Charge shall be paid by all Members (Full Members and eligible Social Members who are or who have elected to become Social Members) and shall be held, used and expended by the corporation for the common benefit of all Members for the following purposes: to promote the health, safety, welfare, recreation and entertainment of the Members, including, without limitation, the operation, maintenance and repair of the entertainment, recreational and/or athletic facilities* (including the marina and its related facilities and improvements) now or hereafter existing within the vicinity of the Subdivisions and owned by the corporation, and the installation, construction, erection, rearrangement, repair, maintenance and replacement of improvements related to the entertainment, recreation and/or athletic facilities (including the marina and its related facilities and improvements) to be maintained by the corporation. No Full Member shall be exempt or excused from paying the Club Charge by waiver of the use or enjoyment of the entertainment, recreation and/or athletic facilities, (excluding the marina and its related facilities and improvements), or any part thereof. No person or entity eligible to become a Social Member of the corporation shall be required to become a Social Member. No person or entity eligible to become a Social Member of the corporation who elects to become a Social Member shall have the right to voluntarily resign such Social Membership in the corporation. The successors in title of a Member who ~~has~~ ^{is} ~~been~~ delinquent in the payment of any Club Charges shall, as con-

ditions precedent to such successors in title becoming a Member of the corporation and/or enjoying all of the rights or benefits of a Member, pay all such delinquent Club Charges, and pay an additional initiation fee in the amount of Three Thousand and No/100 Dollars (\$3,000.00); subject, however, to increase or decrease as the board of directors may from time to time determine. Any otherwise eligible Social Member who does not elect to become a Social Member of the corporation within sixty days after such person or entity becomes eligible for Social Membership and who thereafter elects to become a Social Member shall also pay an initiation fee in the amount of Three Thousand and No/100 Dollars (\$3,000.00); subject, however, to increase or decrease as the board of directors may from time to time determine. Any person or entity who desires to become a Social Member and who is eligible for Social Membership as the successor in title of a former eligible Social Member who did not elect to become a Social Member shall also pay an initiation fee in the amount of Three Thousand and No/100 Dollars (\$3,000.00); subject, however, to increase or decrease as the board of directors may from time to time determine. With respect to increases and/or decreases in the foregoing initiation fees and/or any other actions or charges, the board of directors shall not discriminate between Full Members and Social Members. Initially the required Club Charge to each Member shall be \$420.00 per annum regardless of the number of lots in the Subdivisions or fee or leasehold estates contemplated by Section

3.03 of these bylaws owned by any such Member. The

directors shall establish or cause to be established, from time to time, charges for food, beverages, services and other items and/or services sold, served or provided to Members, their families and guests in any facilities operated by the corporation and any Member's failure to pay charges to such Member's account for any such items or services within ninety (90) days after having been billed for the same shall result in the automatic suspension of such Member's voting rights and privileges in the corporation as contemplated by the first sentence of Section 3.05 of these bylaws; subject, however, to the provisions of the last sentence of Section 3.05 of these bylaws.

8.05. The Marina Charge shall be paid by all Members who shall use a boat slip now or hereafter existing in the marina for the docking and/or storage of a boat. Initially the Marina Charge shall be \$960.00 per annum for boat slips having dimensions of approximately 12 feet by 24 feet and \$780.00 per annum for boat slips having dimensions of approximately 9 feet by 20 feet. The Marina Charge shall be payable annually on or before January 1 of each year in advance; provided, however, any boat slips available thereafter may be made available to the next eligible Member for the balance of any such year with the Marina Charge being payable in advance on a prorata basis for the balance of the year. Use of boat slips in the marina shall first be made available to persons who are Members who during the previous year utilized the

same with any excess boat slips existing from time to time being made available to Members in the order that such Members shall have requested the same on a standby basis in writing submitted to the board of directors.

8.06. The Maintenance Fund Charge shall be assessed, collected, administered, held, used and expended by the board of directors for the common benefit of Full Members owning one or more lots in the Subdivisions for the purposes set forth in the Restrictions. Except as otherwise provided in the Restrictions, each and every lot in the Subdivisions is severally subjected to and impressed with a Maintenance Fund Charge in the original amount of \$180.00 per lot per annum, which shall run with the land, be subject to increase or decrease and be payable as provided in the Restrictions and in these bylaws.

ARTICLE X

GENERAL PROVISIONS

9.01. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or such other person or persons of the corporation as the board of directors shall from time to time designate and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the treasurer

or an assistant treasurer and countersigned by the president or a vice president of the corporation.

9.02. 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.

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

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

9.05. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, board of directors and committees having any of the authority of the board of directors and shall keep at the registered office or principal 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 agent or attorney for any proper purpose at any reasonable time.

9.06. The corporation shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the corporation, including all income and expenditures, in accordance with generally accepted accounting practices. Based on these records, the board of directors shall annually prepare or approve a report of the

financial activity of the corporation for the preceding year and submit the same to the Members at the next annual meeting of the Members. The report may conform to accounting standards as promulgated by the American Institute of Certified Public Accountants and may include a statement of assets and liabilities, a statement of revenue and expenses and a statement of changes in financial position. The board of directors may by resolution appoint a firm of independent certified public accountants to audit the books and records of the corporation and to prepare the annual report of the financial activity of the corporation and submit an opinion and written report to the board of directors of the results thereof.

9.07. All records, books and annual-reports of the financial activity of the corporation shall be kept at the registered office or principal office of the corporation in the vicinity of Subdivisions for at least three (3) years after the closing of each fiscal year and shall be available to any Member or his agent or attorney for inspection and copying there during normal business hours. The corporation may charge for the reasonable expense of preparing a copy of a record or report.

9.08. There may be created by resolution of the board of directors out of the funds received by the corporation such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies or to repair or maintain any property of the corporation or for such other purpose as the

directors shall think beneficial to the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

9.09. Subject to the limitations contained in these bylaws, 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 bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation.

9.10. Whenever under the provisions of the statutes or of the articles of incorporation or of these bylaws or of the Restrictions, notice is required to be given to any director or Member, and no provision is made as to how such notice shall be given, it shall not be construed to require personal notice, but any such notice may be given in writing, by first class mail, postage prepaid, addressed to such director or Member at such address as appears on the books of the corporation. It shall be the duty of each Member and director to notify the secretary of the corporation of all address changes applicable to such Member or director. Any notice required or permitted to be given by mail shall be deemed to be delivered at the time when the same shall be thus deposited in the United States mails, as aforesaid.

9.11. Whenever any notice is required to be given to any Member or director of the corporation under the provisions of the statutes or of the articles of incorporation or of these bylaws

or of the Restrictions, a waiver thereof in writing signed by the person or persons entitled to such notice, whether at, before or after the time stated in such notice, shall be deemed equivalent to the giving and delivery of such notice.

9.12. No dividends shall be paid and no part of the income of the corporation shall be distributed to its Members, directors or officers; however, the corporation may pay compensation in a reasonable amount to other persons, including its Members, directors or officers for services actually rendered and may confer benefits upon its Members in accordance with its purposes.

ARTICLE X

CERTIFICATE OF MEMBERSHIP

10.01. The board of directors may (but shall not be required to) provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the board of directors. Any such certificates shall be signed by the president or a vice president and by the secretary or an assistant secretary. All such certificates evidencing membership shall be consecutively numbered. The name and address of each Member, the lot or lots in the Subdivisions or fee or leasehold estates contemplated by Section 3.03 of these bylaws owned by each Member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may

issued therefor on such terms and conditions as the board of directors may determine.

10.02. When a Member has paid any initiation fee and Dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the secretary, if the board of directors shall have provided for the issuance of certificates of membership under the provisions of section 10.01 of this Article X.

ARTICLE XI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

11.01. The corporation shall have the power, and hereby binds and obligates itself, to indemnify any director, officer or employee, or former director, officer or employee, of the corporation, for all expenses (including attorneys' fees and court costs), judgments, liabilities, fines and amounts paid in settlement, in connection with or resulting from any claim, action, suit or proceeding asserted or threatened against him, by any civil, criminal, administrative or investigative action, threatened, pending or completed, in any court, administrative agency or otherwise, by reason of his being or having been such director, officer or employee, except in relation to matters as to which he shall have been guilty of gross negligence or willful misconduct in respect of the matter in which indemnification is sought. Any indemnification in accordance with the foregoing shall be made by the cor-

...tion upon a determination that indemnification of the director, officer or employee is proper in the circumstances because he shall not have been guilty of gross negligence or willful misconduct in respect of the matter in which indemnity is sought; and such determination may be made (a) by the board of directors by a majority vote of a quorum consisting of directors who are not parties to such claim, action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion. The indemnification provided by this Article XI shall not be deemed exclusive of any rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of directors, principle of law or otherwise and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors, administrators and devisees of such person.

ARTICLE XII

LIMITATION ON AUTHORITY OF BOARD OF DIRECTORS

12.01. The board of directors shall have no authority, except as authorized by the affirmative vote of a majority of the Members at a meeting of the Members duly held for such purpose, to acquire any real property or to incur any debts or obligations which are to be secured by liens and/or security interests in any real or personal property owned by the corporation (other than the real

or personal property being acquired); provided, however, Social Members shall not be entitled to vote (or be counted for purposes of determining a quorum) on the subject of the acquisition of real or personal property in or relating to the Subdivisions to be maintained or paid for by the Maintenance Fund Charge and/or on the subject of the creation of liens and/or security interests on any such property or the Maintenance Fund Charge to secure debts or obligations with respect thereto.

ARTICLE XIII

AMENDMENTS

13.01. At any meeting of the members called for such purpose, these bylaws may be altered, amended or repealed, or new bylaws may be adopted by a majority vote of all Members (exclusive only of Members whose voting rights are suspended at the time of the meeting); provided, however, no amendment to these bylaws altering (i) the persons or entities eligible for membership in the corporation as set forth in these bylaws, or (ii) the conditions upon which an initiation fee may be imposed upon persons or entities shall be valid unless approved by 100% of the Members in the corporation (exclusive only of Members whose voting rights are suspended at the time of the voting) at a special meeting called for such purpose pursuant to the bylaws and it is further provided that the main use of the Club, Marina and Recreational Facilities (including the Marina, the boat launch area and the 2.978 acre

tract of land and improvements out of the William Weir Survey to be deeded to the corporation by Developer on July 1, 1984) shall be for recreational use as opposed to some other use until July 1, 2007 and such main use shall be automatically extended for successive periods of ten (10) years each, unless prior to July 1, 2007 or any such ten (10) year period thereafter a majority of the Members in the corporation (exclusive only of Members whose voting rights are suspended at the time of the voting) at a special meeting called to vote on such change pursuant to these bylaws votes to change the use.

ARTICLE XIV

GENERAL

14.01. The use of any gender herein shall be applicable to all genders.