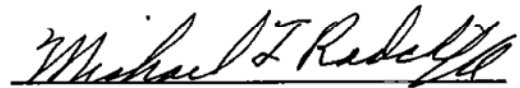


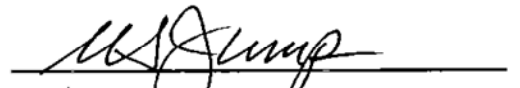
CARRIAGE TRAILS MASTER OWNERS' ASSOCIATION

CODE OF REGULATIONS

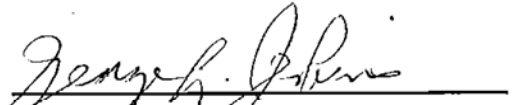
Pursuant to the nonprofit corporation laws of the state of Ohio, the initial incorporators of the Carriage Trails Master Owners' Association hereby adopt these regulations for the governance of the Owners of property, and the management of the common areas and facilities, within the Carriage Trails Development, consistent with the Articles of Incorporation on file with the Ohio Secretary of State and the Master Declaration of Covenants, Easements, Restrictions, Assessments and Assessment Liens, on record with the Miami County Recorders Office.



MICHAEL T. RADCLIFFE, INCORPORATOR



WILLIAM S. JUMP, INCORPORATOR



GEORGE L. JENKINS, INCORPORATOR

Executed this 6th day of August, 2009.

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I. GENERAL

§1.1 ABOUT THE ASSOCIATION.

The Carriage Trails Master Owners' Association, Inc. (the "Association") is a nonprofit corporation under the laws of the state of Ohio. The principal office of the Association shall be located at 255 Bradenton Avenue, Dublin, Ohio 43017. Meetings of Members and meetings of the Board of Directors may be held at such places within the State of Ohio as may be designated by the Board. This Code of Regulations (the "Regulations"), along with the Master Declaration of Covenants, Easements, Restrictions, Assessments and Assessment Liens (the "Master Declaration") and the Articles of Incorporation ("the Articles"), shall govern policies, procedures and conduct of the Association and its Members.

§1.2 PURPOSES OF THE ASSOCIATION.

The Association is organized to be and act as an owners' association for the Owners of property in the Carriage Trails Development (the "Development") in Huber Heights, Miami County, Ohio and for the following purposes:

- (a) to provide for the acquisition, construction, management, maintenance and care of Association Property;
- (b) to take title to real, personal and mixed property within the Development, including easements and licenses attached to such property;
- (c) to own and maintain architectural control over improvements to property within the Development, according to the Master Common Elements (defined below);
- (d) to own and maintain common areas and facilities within the Development for the use and enjoyment of the Association's Members and the general public, including recreational facilities, parks, streets, sidewalks and paths;
- (e) to assess, collect and disburse funds necessary to fulfill these purposes;
- (f) to administer and enforce the provisions of the Governing Documents; and
- (g) to further the common good and general welfare of the community.

§1.3 DEFINITIONS.

"Articles of Incorporation" or "Articles" means the Articles of Incorporation filed with the Ohio Secretary of State, incorporating the "Carriage Trails Master Owners Association" as a nonprofit corporation under the provisions of Chapter 1702 of the Ohio Revised Code (the "O.R.C."), including any and all amendments thereto.

“Assessments” means charges levied by the Association on Owner property and the Owners, consisting of Operating Assessments, Special Assessments, and Individual Owner Property Assessments, all of which are further defined and discussed in the Master Declaration.

“Board of Directors” or **“Board”** or **“Directors”** means the persons vested with the authority to conduct the affairs of the Association.

“Common Expense” means the costs incurred by the Association in fulfilling its functions and carrying out its duties.

“Developer” means DEC Land Co. I LLC and any of its successors or assigns to which it specifically assigns its rights or any part thereof, and which assumes any part or all of its obligations by a written instrument.

“Development” means the residential subdivisions, condominiums, apartments, assisted living facility, office and commercial district and other complimentary developments, as permitted by zoning, in accordance with the site plan as described in the Master Declaration and collectively to be known as “Carriage Trails Development”. The Development may also include such other property as the Developer may determine, from time to time, to acquire and develop in connection with the existing Development property.

“Electronic Transmission” means email and communication through the Association’s website or other online forum or website approved by the Board.

“Governing Documents” means the Association’s Articles of Incorporation, these Regulations, the Master Declaration, the Rules adopted by the Board, applicable building and zoning laws, any plats of property describing the Development and any other documents affecting the Development.

“Master Common Elements” means all real, personal and mixed property, now or hereafter acquired pursuant to the Master Declaration or otherwise, and owned by the Developer and/or the Association for the common use and enjoyment of two (2) or more Owners, or if not owned by the Developer and/or the Association, all real, personal and mixed property the maintenance of which the Developer and/or the Association is responsible under the terms of the Master Declaration, applicable zoning regulations or under any other agreement binding the Association.

“Master Declaration” means the Master Declaration of Covenants, Easements, Restrictions, Assessments and Assessment Liens for the Carriage Trails Development, filed in the Miami County Records Office as record No. 20090R-06315.

“Master Owners’ Association” or **“the Association”** means the Owners association organized for the purpose of owning and/or maintaining the Master Common Elements and for the purpose of enforcing the restrictions set forth in the Master Declaration.

“Member” means any person or entity entitled to membership in the Association.

“Officers” means the president, vice president(s), secretary, treasurer, managing agent and other persons elected, appointed or retained by the Board to assist with the management and operation of the Association.

“Owner” means the record owner, whether one or more persons, of a fee simple title to a Lot, Unit, Multi-Family Parcel or Commercial Parcel, excluding the Developer and vendors under recorded land installment contracts, but including vendees, and excluding all others having an interest merely as security for the performance of an obligation. The terms “Unit, Lot, Multi-Family Parcel and Commercial Parcel” are further defined and discussed in the Master Declaration.

“Rules” means the rules adopted by the Board of Directors.

“Sub-Area Association” means the separate associations for each condominium, residential subdivision, multi-family development or commercial development within the Development, as determined by Developer, in its sole and unfettered discretion, whose members will consist of all of the Owners of Units, Lots, Multi-Family Parcels and Commercial Parcels in that condominium, subdivision or development. Each Sub-Area Association will administer restrictions relative to the property within, and matters related solely to, the property in that subdivision, condominium or development, as the case may be, and restrictions and other matters related to the Owners or occupants of Units, Lots, Multi-Family Parcels or Commercial Parcels in that subdivision, condominium or development.

“Turnover Date” means the date on which Developer relinquishes its exclusive right to appoint all members of the Association’s Board, which date shall be no later than the time the Development has been fully developed, all improvements completed, and all Owner property has been sold and conveyed. Developer reserves the right, in its sole and unfettered discretion, to turnover control of the Association, or various functions of the Association, at such earlier time(s) as Developer may determine.

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II. MEMBERS

§2.1 MEMBERSHIP.

Every person or entity that is a record Owner of a Unit, Lot, Multi-Family Parcel or Commercial Parcel located within the Development, and that is subject to the Master Declaration, shall be a "Member" of the Association. An Owner's membership in the Association is a right appurtenant to, and inseparable from, the Owner's undivided fee simple interest in a Unit, Lot, Multi-Family Parcel or Commercial Parcel within the Development and shall be terminated when the Owner ceases to own such interest.

§2.2 SUB-AREA MEMBERSHIP.

In addition to membership in the Master Owners' Association, an Owner may be a Member in a Sub-Area Association created by the Board. Members of Sub-Area Associations shall consist of the Owners of Lots, Units or Commercial Parcels within the Sub-Area Association's area of influence. Sub-Area Associations shall be created by the Board in order to administer restrictions, Rules and other matters related solely to property within a sub-area development, commercial district or other area. The relevant rules and areas of influence of each Sub-Area Association shall be defined by the Board, in accordance with these Regulations and the Master Declaration.

§2.3 TERMINATION OF MEMBERSHIP.

Upon the sale, transfer or other disposition of an Owner's undivided fee simple interest, that Owner's membership in the Association shall automatically be transferred to the new record Owner of that interest. No Owner may otherwise terminate membership in the Association. All rights and privileges of membership in the Association shall cease upon termination of membership. The successors or assignees of an Owner shall be entitled to exercise one hundred percent (100%) of the prior Owner's voting power.

§2.4 LIMITATIONS ON MEMBERSHIP.

Membership in the Association is not intended to include persons who hold an interest merely as security for the performance of an obligation. The giving of a security interest or mortgage shall not terminate an Owner's membership, except as provided in the Master Declaration. Owners shall have only one vote per owned property, except as described in §2.9 (Membership Classes).

§2.5 CONFLICTS OF INTEREST.

Members of the Association shall not be disqualified from such membership for dealing or contracting with the Association as vendor, purchaser, provider, employee, agent, volunteer or otherwise.

§2.6 DUTY TO PAY ASSESSMENTS AND COMPLY WITH RULES.

Members of the Association are required to pay any and all assessments to the Association as required by the Master Declaration and any Rules adopted by the Board. Additionally, Members are required to comply with all Rules governing the use, operation and maintenance of the Development, its common areas and recreational facilities and any property under the individual control and ownership of each Member. Failure to pay assessments to the Association and/or failure to comply with the Rules may result in penalties, including late charges, loss of voting rights on Association matters, loss of the privilege to use the Master Common Elements, placement of a lien on Member's property, initiation of a lawsuit to enforce compliance or payment and any other such penalties or sanctions provided for in these Regulations, the Master Declaration or the Rules adopted by the Board.

§2.7 MEMBERSHIP RECORDS.

The Association shall maintain a record of its Members containing the name and address of each Member, the date of admission to membership and the class to which the Member belongs. Upon termination of membership, such fact and the date of termination shall be recorded in the membership records.

§2.8 RIGHT TO INSPECT BOOKS AND RECORDS.

Upon reasonable request of any Member, the Association shall make available for inspection all books, records, financial statements, meetings of minutes, and resolutions passed by the board. The Association may charge a reasonable fee to cover the administrative costs of handling, copying and delivering the requested documents. Members do not have a right to access certain items deemed privileged, protected, or confidential in accordance with applicable laws, Rules or regulations, including but not limited to:

- (a) information that pertains to personnel matters;
- (b) communications with legal counsel or attorney work product pertaining to proposed or pending litigation or other legal issues of a confidential nature;
- (c) information that pertains to contracts or transactions currently under negotiation or information that is contained in a contract containing confidentiality requirements;
- (d) information that relates to the enforcement of the Governing Documents against Owners; and
- (e) information the disclosure of which is prohibited by local, state or federal laws, rules or regulations.

§2.9 MEMBERSHIP CLASSES.

Membership of the Association shall be divided into three (3) classes. The voting power of each class of Members shall be as follows:

- (a) ***Master Member.*** There shall be one (1) Master Member: the Developer. In all Association matters involving a vote, the Master Member shall have one (1) vote for each Lot and each Unit, two (2) votes for each Multi-Family Parcel and ten (10) votes for each acre (rounded up to the nearest full acre) contained in a commercial parcel in the Development, whether or not such Lot, Unit or Parcel has been transferred from Developer to an Owner. At such time as the Developer no longer owns at least one (1) Lot, Unit or Parcel in the Development, control of the Association shall transfer to the Sub-Area Association Members and Owner Members, in accordance with the voting rights set forth below. Notwithstanding the foregoing, Developer may, at any time, assign or transfer all or any part of its voting rights in the Association prior to transfer of control of the Association.
- (b) ***Sub-Area Association Members.*** Each Sub-Area Association shall be a Member of the Master Owners' Association, and each Sub-Area Association shall have one (1) vote in all matters of the Master Owners' Association involving a vote.
- (c) ***Owner Members.*** There shall be separate classes of membership for Lot Owners, Unit Owners, Multi-Family Parcel Owners and Commercial Parcel Owners. Each Owner of a residential Lot in one of the single family subdivisions and each Unit Owner in the multi-family subdivision shall each have one (1) vote in all matters of the Master Owners' Association involving a vote. Each Multi-Family Parcel Owner shall have one (1) vote for every multi-family dwelling Unit constructed on the Owner's Multi-Family Parcel. Each Commercial Parcel Owner shall have eight (8) votes for each acre (rounded up to the nearest full acre) contained within the Commercial Parcel.

§2.10 VOTING; QUORUM.

Any vote by qualified Members entitled to vote at elections or on other matters, may be conducted by mail or Electronic Transmission in lieu of a physical appearance at a regular or special meeting. No Member who is a natural person shall vote or act by proxy.

Except as otherwise provided in these Regulations, the Master Declaration or the Rules adopted by the Board, an affirmative vote of a majority (51%) shall be required for a valid action by the Members. The participation of Members holding at least thirty percent (30%) of the total voting power of the Association shall be necessary to constitute a quorum. At any meeting of Members in which a quorum is not present, a motion shall be made to adjourn the meeting and reconvene at a date not more than one week later. When the meeting reconvenes, participation of Members having only twenty percent (20%) of the total voting power of the Association shall be necessary to constitute a quorum.

For purposes of meeting the requirements of a quorum, Members voting by mail or Electronic Transmission shall be deemed present at the meeting (if any) scheduled for such vote. When a vote is conducted solely by mail or Electronic Transmission, a quorum is present if Members holding at least thirty percent (30%) of the total voting power of the Association participate in

the vote. The affirmative vote of a majority (51%) of the voting Members at a meeting at which a quorum is present shall be necessary for a valid action by Members.

The authorization or taking of any action by vote, consent, waiver or release of the Members may be rescinded or revoked by the same vote, consent, waiver or release as at the time of rescission or revocation would be required to authorize or take such action in the first instance, subject to the contractual rights of other persons.

§2.11 ANNUAL MEETING OF MEMBERS.

An annual meeting of voting Members for the election of Directors and the consideration of the budget, reports and other matters shall be held in the State of Ohio, on a date designated by the Board. When the annual meeting is not held or Directors are not elected thereat, then Directors may be elected at a special meeting called for that purpose. Meetings of voting Members may be called by either of the following:

- (a) the president of the Board, or in case of the president's absence, death or disability, the vice president; or
- (b) the Directors by action at a meeting or by a majority of the Directors acting without a meeting.

At each annual meeting of Members, the Board shall present a full and clear statement of the business and financial condition of the Association, including the proposed budget and any other supporting document.

During the initial period in which Developer maintains control over the Association, and before such control is relinquished as described in the Master Declaration, the annual meeting of Members may be waived by the Board. Developer shall have the exclusive right to appoint all Directors until the Turnover Date or until the Developer, in its sole and unfettered discretion, turns over all or part of its control over the Association.

§2.12 SPECIAL MEETINGS.

Special meetings of the Members may be called by the president, a majority of the Directors or by Members entitled to exercise not less than ten percent (10%) of the total voting power of the all Members. Any person(s) entitled to call a special meeting shall make a written request to the president or secretary and the president or secretary shall give notice to Members.

§2.13 NOTICE.

Notice of meetings shall be provided not less than ten (10), and not more than sixty (60) days in advance of the date designated for the meeting. Notice shall be in writing and sent by mail or Electronic Transmission to all Members entitled to attend, at the physical or electronic address listed in the record of Members. Notice shall be deemed given when deposited in the mail or when sent by Electronic Transmission. Among other things, the notice should state:

- (a) the location at which the meeting shall be held;
- (b) the date and time of the meeting;
- (c) the issues on which Members may vote and any supporting materials; and
- (d) in the case of a special meeting, the purpose(s) for which the meeting is called.

A written notice or report delivered as part of a newsletter, magazine or other publication regularly sent to Members shall constitute a written notice for purposes of this section, if delivered at the physical or electronic address listed in the record of Members.

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III. BOARD OF DIRECTORS

§3.1 TERM AND NUMBER.

The Board of Directors shall initially consist of three (3) persons. Each of the three Directors shall hold office until the next annual meeting of voting Members and until the Director's successor is elected, or until the Director's earlier registration, removal from office or death. Upon motion by a majority (51%) of Members or Directors, a vote shall be held to increase the number of Directors and amend this section accordingly. At no time shall the number of Directors exceed nine(9).

§3.2 NOMINATION AND ELECTION.

Before the relinquishment of control of the Association by the Developer, the Developer shall appoint all Directors. Subsequent to the relinquishment of control of the Association by the Developer, Directors shall be elected at the regular annual meeting of Members or at a special meeting called for that purpose. Candidates for the election of Directors shall be nominated by a nominating committee formed by the Board for that purpose and/or by a Member speaking from the floor of any meeting held for the purpose of electing Directors. There shall be no limit to the number of persons that can be nominated so long as that number is not less than the number of Directors to be elected. Each candidate for election shall be entitled to have one representative observe the vote counting process.

§3.3 REMOVAL OF DIRECTORS AND FILLING VACANCIES.

A Director's seat on the Board becomes vacant at the end of that Director's term or if the Director dies or resigns, which registration shall take effect immediately or at such time as the Directors may specify. The remaining Directors, though less than a majority of the whole authorized number of Directors may, by the vote of a majority (51%), fill any vacancy on the Board for the unexpired term. The Board may also fill a vacancy that exists as a result of Members increasing the number of Directors but failing to elect the additional Directors provided for, or in any other case in which Members fail to elect the whole authorized number of Directors. Removal of Directors shall be accomplished at a special meeting held for that purpose and at which a quorum of Members is present. A Director appointed by Developer may be removed by Developer at any time, with or without cause. A Director elected by Members, and whose removal has been proposed by Members, shall be given an opportunity to speak at the annual meeting or special meeting of Members. If a quorum is present, the Director may be removed, with or without cause, by a majority (51%) vote of the Members.

§3.4 AUTHORITY OF DIRECTORS.

Unless specifically stated otherwise in the Governing Documents, all of the authority of the Association shall be exercised by or under the direction of the Directors. A Director shall perform all duties, including those as a member of any committee, in good faith, in a manner the Director reasonably believes to be in or not opposed to the best interests of the Association, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. When making a decision or taking action, a Director is entitled to rely on

information, opinions, reports or statements, including financial statements and other financial data that is prepared or presented by the following:

- (a) one or more Directors, Officers or employees of the Association if the Director reasonably believes such person is reliable and competent in the matters prepared or presented;
- (b) legal counsel, public accountants or other persons the Director reasonably believes to have professional or expert knowledge; and/or
- (c) a committee created by the Board, upon which the Director does not serve, if the Director reasonably believes such committee is competent in the matters prepared or presented.

§3.5 ACTION AGAINST DIRECTOR.

A Director shall not be found to have failed to perform the Director's duties unless it is proved, by clear and convincing evidence in an action brought against the Director, that the Director has not acted in good faith, in a manner the Director reasonably believed to be in or not opposed to the best interests of the Association, or with the care that an ordinarily prudent person in a like position would use under similar circumstances. Such an action includes, but is not limited to, an action that involves or affects any of the following:

- (a) a change or potential change in control of the Association;
- (b) a termination or potential termination of the Director's service to the Association as a Director; and/or
- (c) Director's service in any other position or relationship with the Association.

The Board may maintain liability insurance to cover Directors legal expenses and the cost of any judgment obtained in an action against the Director for alleged breach of duty.

§3.6 DUTY TO ACT IN GOOD FAITH.

A Director shall not be considered to be acting in good faith if the Director has knowledge that would cause reliance on information, opinions, reports or statements, prepared or presented by the persons described in §3.4, to be unwarranted.

In determining what is in, or not opposed to, the best interests of the Association, a Director shall consider the following:

- (a) the purposes of the Association listed in §1.2 of these Regulations;
- (b) the goals of enforcement listed in §2 of the Master Declaration;
- (c) the interests of the employees, suppliers, creditors, and Members of the Association;
- (d) the economy of this state and of the nation;

- (e) the interests of the local community and society in general; and
- (f) the long and short-term interests of the Association, including, but not limited to, the possibility that those interests may be best served by the continued independence of the Association.

§3.7 POWERS.

The Association, through its Board of Directors, has the power to:

- (a) exercise all of the authority and perform all of the duties and obligations of the Association as set forth in the Governing Documents;
- (b) set the goals, standards and policies for the Association;
- (c) fix, levy, collect and enforce payment of charges and assessments, according to the terms of the Master Declaration;
- (d) pay all Common Expenses and other costs incurred in carrying on the business of the Association;
- (e) acquire (by gift, purchase or otherwise), own, hold, develop, improve, build upon, operate, maintain, convey, sell, lease, transfer or otherwise dispose of real, personal or mixed property, in connection with the affairs of the Association;
- (f) borrow money, maintain a surplus and invest reserves or excess funds in government insured accounts or other investments approved by the Board;
- (g) administer and enforce the terms of the Master Declaration, including all covenants, easements, restrictions, assessments and assessment liens;
- (h) make and enforce Rules governing the use, operation and maintenance of the Development, consistent with the Governing Documents;
- (i) impose sanctions on Owners, as required by the Master Declaration and/or Rules enacted by the Board;
- (j) elect or appoint Officers and employ a manager, independent contractor and/or such other employees deemed necessary, and prescribe the duties of such office or position;
- (k) obtain the various types of insurance required under the Master Declaration and any other coverage deemed necessary by the Board;
- (l) contract with any person, corporation, firm or other entity for the exercise of any powers or duties of the Association;
- (m) sue and be sued;

- (n) exercise the powers, rights and privileges granted to a nonprofit corporation under Chapter 1702 of the O.R.C.; and
- (o) exercise all powers and perform all duties necessary, expedient, incidental, appropriate or convenient to the carrying out of the foregoing powers.

§3.8 IMPLIED RIGHTS.

The Association may exercise any other right or privilege given to it expressly by the laws of the State of Ohio or any provision of the Governing Documents and every other right or privilege reasonably implied from the existence of any right or privilege granted thereby or reasonably necessary to effect any such right or privilege.

§3.9 LIMITATION ON POWERS.

The Association shall not take any action or enter into any agreement or transaction which would violate any provision of these Regulations, the Articles, the Master Declaration or Chapter 1702 of the O.R.C..

§3.10 RULES AND RESOLUTIONS.

The Board may make and enforce reasonable Rules governing the use, operation and maintenance of the Development, the use of common areas and facilities and the personal conduct of the Members, occupants and their guests thereon, the penalties for failing to comply with the Rules, the levying and collection of assessments, the levying and collection of administrative charges for the violation of Rules and for other purposes consistent with the provisions of the Governing Documents.

The Board shall adopt Rules by means of a duly enacted Resolution, which should be indexed in a record of Resolutions kept by the secretary. Any Rules adopted by the Board, and the effective date of such Rules, shall be distributed to all Members in order to be effective.

§3.11 REMEDIES.

The Board shall have the power to impose sanctions on Owners, including without limitation:

- (a) reasonable monetary administrative charges;
- (b) suspension of Members voting power; and
- (c) suspension of the rights of Owners and Owner's occupants, licensees and invitees, to use the Master Common Elements, or any part thereof, for a period not exceeding sixty (60) days,

for any infraction of the Governing Document, including but not limited to the provisions of the Master Declaration, this Code of Regulations and any Rules adopted by the Board; provided that the right of ingress and egress of an occupant or Owner to that Owner's or that occupant's Lot, Unit or Parcel, or any part thereof, shall not be impeded or prohibited. Additionally, the Board shall have the power to seek relief in any court for violations of, or to abate violations of, these

Regulations, the Rules adopted by the Board or any other provision of the Governing Documents.

If the Board expends funds for attorneys' fees or litigation expenses in connection with enforcing any provision of the Governing Documents, or otherwise, the amount so expended shall be due and payable by the Owner or Owners of the Unit, Lot or Parcel whose Owner, occupant, licensee or invitee violated the Governing Documents.

§3.12 MEETINGS.

Meetings of the Directors may be called by the chairperson of the Board (if any), the president, vice president or any two Directors. Meetings of the Directors may be held at any place within or without the state, including by means of conference call or other online equivalent, so long as the meeting is conducted live and communication is instantaneous.

Unless waived by the Board, regular meetings of the Board shall be held quarterly on the date and at the time and place chosen by the Board. The president or a majority of Directors may call a special meeting when an action of the Board is required before the date of the next regularly scheduled meeting due to an emergency or other urgent circumstances.

§3.13 VOTING; QUORUM; ADJOURNMENT.

Each Director shall be entitled to one vote on any matter requiring the action or approval of the Board at a regular or special meeting. A majority (51%) of the Directors then in office and present at the meeting shall constitute a quorum and an affirmative vote of a majority (51%) of Directors at a meeting at which a quorum is present, shall be required for an action of the Board to be valid.

Whether or not a quorum is present, a majority (51%) of the Directors present at the meeting may adjourn the meeting. Notice of adjournment need not be given if the time and place at which the meeting will reconvene is fixed and announced before the meeting is adjourned.

§3.14 NOTICE.

Notice of the place and time of each meeting of the Board shall be given to each Director at least two (2) days before the meeting by personal delivery, regular mail, overnight delivery service or by means of Electronic Transmission. The notice should specify the purposes of the meeting. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced before the meeting is adjourned.

§3.15 COMPENSATION.

No Director shall receive compensation for any service he or she may render to the Association. However, Directors may be reimbursed for actual expenses incurred in the performance of their duties.

§3.16 CONFLICTS OF INTEREST.

A Director of the Association shall not be disqualified from such position for dealing or contracting with the Association as vendor, purchaser, provider, employee, agent, volunteer or otherwise. However, Directors must disclose all personal and financial conflicts of interest before assuming a Board position and, once on the Board, before participating in any Board discussions.

IV. OFFICERS

§4.1 ENUMERATION OF OFFICERS.

The Officers of the Association shall consist of a president, secretary, treasurer, and if desired, a chairperson of the Board, one or more vice presidents, a managing agent and/or such other Officers and assistant Officers that the Board deems necessary. None of the Officers need be a Director. Any two or more offices may be held by the same person if so approved by the Board.

§4.2 ELECTION AND REMOVAL OF OFFICERS.

The Officers shall be elected or appointed annually by the Board. The power and duties of all Officers shall be determined and/or delegated by the Board and shall be consistent with the provisions of these Regulations and any other relevant provisions of the Governing Documents.

An Officer may only be removed by the persons authorized to elect or appoint the Officer. An Officer may be removed with or without cause and without prejudice to the contractual rights of such Officer. The election or appointment of an Officer for a given term shall not be deemed to create contractual rights. The Directors may fill any vacancy in any position held by an Officer, regardless of the reason for such vacancy.

§4.3 DUTIES OF THE PRESIDENT.

The president shall be the chief executive officer of the Association and shall set the agenda for, and preside at, all meetings of the Members and all meetings of the Board and shall see that the resolutions of the Board are carried out as intended. The president may sign all legal instruments on behalf of the Association. The president may also be responsible for selecting and/or nominating committee chairs.

§4.4 DUTIES OF THE VICE PRESIDENT.

The vice president shall assume the powers and duties of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. The vice president shall also act as a liaison of the Board to certain staff, contractors and committees.

§4.5 DUTIES OF THE SECRETARY.

The secretary shall record votes and keep minutes of all meetings and proceedings of the Board and/or of the Members; prepare and send notice for meetings of the Board and/or the Members; keep current records showing the names and addresses of Members; distribute to Members a copy of any rules and/or regulations and/or amendments passed by the Board or by action of Members at a regular or special meeting of Members; and shall perform such other duties as required by the Board. The secretary shall also be responsible for preparing and distributing meeting agendas and maintaining a book of resolutions, rules, contracts, correspondences and other official records.

§4.6 DUTIES OF THE TREASURER.

The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; keep proper accounting books specifying the receipts and expenses, together with records showing the allocation, distribution, and collection of the profits, losses and expenses, among and from the Members; and shall prepare an annual budget and annual statement of income and expenditures to be presented to the Members at the annual meeting. When appropriate, the treasurer shall recommend action regarding collection of assessments. The treasurer shall also be responsible for authorizing and assisting in independent audits of the Association.

§4.7 MANAGING AGENT.

The Board may retain and employ on behalf of the Association a managing agent, which may be the Developer, and may delegate to the managing agent such duties as the Board might otherwise be authorized or obligated to perform. The compensation of the managing agent shall be determined by the Board.

V. COMMITTEES

§5.1 EXECUTIVE AND OTHER COMMITTEES OF DIRECTORS.

The Board may create an executive committee or any other committee, to consist of one or more Directors, Officers, Members or other persons, and may authorize the delegation of the Board's powers or duties, however conferred, to any such committee. The Directors may appoint one or more Directors as alternate members of a committee, who may take the place of any absent member or members at any meeting of a particular committee. Each committee shall serve at the pleasure of the Board, shall act only in intervals between meetings of the Board and shall be subject to the control and direction of the Board. Any committee may act by a majority (51%) of its members at a meeting of the committee or by a writing or writings signed by all of its members. An act, or authorization of an act, by any committee, that is within the authority delegated to it, shall be as effective as an act or authorization of the Board.

§5.2 ADDITIONAL COMMITTEES.

The Board shall have the power to create additional committees, including but not limited to, a nominating committee to nominate Directors and/or Officers for election or appointment; a design review committee to administer and enforce the provisions of the Master Declaration governing the Master Common Elements; and/or a review and compliance committee to conduct reviews of the Governing Documents and all applicable laws to ensure legal compliance and determine whether any amendments to the Governing Documents or policies and procedures of the Association are necessary.

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VI. ADMINISTRATION

§6.1 NO ACT OF BUSINESS FOR PROFIT.

These Regulations shall not be construed to give the Association authority to conduct any act of business for profit on behalf of one or more Members, Directors, Officers or employees of the Association.

§6.2 FISCAL YEAR.

The fiscal year shall begin on the first day of January of every year, except that the first fiscal year of the Association shall begin at the date of incorporation. The commencement date of the fiscal year herein established may be changed by the Board.

§6.3 EXECUTING DOCUMENTS.

With the prior authorization of the Board, all notes, contracts and other documents shall be executed on behalf of the Association by either the president or the vice president, and all checks and other drafts shall be executed on behalf of the Association by such Officers, agents or other persons as are, from time to time, authorized by the Board.

§6.4 CONFLICT OF PROVISIONS.

In case of conflict between the Articles and these Regulations, the Articles shall control; in the case of conflict between the Master Declaration and these Regulations, the Master Declaration shall control.

§6.5 LIABILITY.

The Members, Directors and Officers of the Association shall not be personally liable for any obligation to the Association.

§6.6 INDEMNIFICATION.

Officers and Directors may be indemnified by the Association according to the provisions laid out in these Regulations, the Articles and the Master Declaration, except that no Officer or Director shall be indemnified for gross negligence or willful misconduct.

§6.7 AMENDMENTS.

These Regulations may be amended, or a new Code of Regulations may be adopted, at a meeting of voting Members, or in a vote conducted by mail or Electronic Transmission. The affirmative vote of a majority (51%) of Members entitled to exercise not less than seventy-five percent (75%) of the total voting power of all Members shall be required for any proposed amendment to be valid and effective. Prior to the time Developer transfers control of the Association to the Members, Developer may, in its sole and unfettered discretion, unilaterally amend the provisions of these Regulations or adopt a new Code of Regulations.