

any of such utility easements will have the right, at any time and from time to time, to relocate any Utility Facilities then located on the Burdened Tract on the conditions that: (i) such right of relocation will be exercisable only after thirty (30) days prior written notice of the intention to relocate has been given to all owners using the Utility Facilities to be relocated; (ii) such relocation will not unreasonably interrupt any utility service to the improvements then located on the Benefitted Tract(s); (iii) such relocation will not reduce or unreasonably impair the usefulness or function of the Utility Facilities to be relocated; (iv) all costs of such relocation will be borne by the owner relocating the Utility Facilities.

8.1.4 Access Easements. Nonexclusive easements between each Development Tract and the public streets and ways abutting or crossing any portion of the total site for the purpose of providing ingress, egress and access to the easements hereby created.

8.1.5 Landscaping and Beautification Easements. Nonexclusive easements for the purpose of landscaping the beautification, including installation, replacement, modification, care and maintenance, excluding: (i) building and areas within building structures; and (ii) limited common elements designated in a unit estate (condominium) declaration with respect to all or any portion of the total site.

8.1.6 Recreational Use Easements. Nonexclusive easements for the purpose of using and enjoying recreational areas or facilities, subject to such rules, regulations, restrictions and exclusions prescribed by the project documents herein created by Developer which operate and apply uniformly to all owners of residential tracts and their permittees, excluding (i) buildings and building structures, except recreational buildings and structures; and (ii) limited common elements designated in a unit estate (condominium) declaration with respect to all or any portion of the total site.

8.1.7 Self-Help Easements. Nonexclusive rights to entry and easements over, across and under each Development Tract for all purposes reasonably necessary to enable any other owner of a Development Tract to perform any of the provisions of this Agreement which a defaulting owner has failed to perform.

8.2 Unimpeded Access. The owners agree that no barricade or other divider will be constructed between the Development Tracts and the owners will do nothing to prohibit or discourage the free and uninterrupted flow of pedestrian traffic throughout the total site in the areas designated for such purpose by the owner of each Development Tract; provided that each owner will have the right to temporarily erect barriers to avoid the possibility of dedicating such areas for public use or creating prescriptive rights therein.

8.3 Use of Easements. Subject to the reasonable rules and regulations adopted for the use of each Development Tract by the owner thereof, the use of all easements created by this instrument will, in each instance, be nonexclusive except as provided in paragraph 8.1.6 of this Article VIII and for the use and benefit of the owners, their representative successors, assigns and such agents, customers, invitees, licensees, employees, servants, contractors, mortgagees, tenants and tenants' customers, invitees, employees, servants, licensees, contractors and agents as might be designated by each owner from time to time (all of which persons are hereafter called "permittees"). Each owner specifically reserves the right, at any time and from time to time, to promulgate such rules and regulations applicable to the owner's Development Tract as might be reasonably imposed to promote the health, safety, welfare and security of such Development Tract, the improvements located thereon and the permittees of such owner. Each owner may, at any time and from time to time, remove exclude and restrain any person from the use, occupancy or enjoyment of any easement hereby created or the area covered thereby for failure to observe the reasonable rules and regulations established as provided herein. If unauthorized use is being made of any easement area by any of the owners or their respective permittees, such unauthorized use may be restrained or terminated by appropriate proceedings after written notice to the defaulting owner and failure to abate such unauthorized use within a reasonable time.

8.4 Maintenance of Easement Area. Except to the extent that such areas might be operated and maintained by public authorities or utilities, the owner of each Burdened Tract will operate and maintain all of the areas of the Burdened Tract which are subject to the pedestrian and vehicular easements created by paragraphs 8.1.1 and 8.1.2 of this Article VIII of this instrument in sound structural and operating condition at the sole expense of the owner of the Burdened Tract. The owner of each Burdened Tract pursuant to paragraph 8.1.3 of this Article VIII will operate and maintain all Utility Facilities located within the boundaries of such Burdened Tract in sound structural and operating condition (except to the extent that such operation and maintenance is performed by public authorities or utilities)

and any expenses occasioned thereby will be borne by the owners of the Benefitted Tract(s) which are serviced by such Utility Facilities in the ratio which the gross floor area of the improvements located on each Benefitted Tract bears to the total gross floor area of the improvements located on all Benefitted Tracts; provided, however, that each owner will pay all costs associated with the operation and maintenance of Utility Facilities and the consumption of utility services which relate solely to the improvements located on a single Development Tract and no other owner will have any liability with respect thereto. No costs of operation and maintenance are associated with the easements provided by paragraphs 8.1.4 and 8.1.7 of this Article VIII. The costs of operation and maintenance of the easements provided in the paragraph 1.5 and 1.6 of this Article VIII shall be allocated as follows:

8.4.1 Allocation of Costs and Assessments.

Until such time as the owner or owners of the balance exercise the option hereinafter provided, the Owners' Association created by this instrument governed by Articles 1 through 9, inclusive, above, shall be under no obligation to recognize any other easement herein created other than those created by paragraphs 1.1, 1.2, 1.3, 1.4 and 1.7, of this Article 10, above, conditioned upon the contribution to the maintenance thereof by the owners of the balance as herein provided. In the event, however, that the owner of the balance exercises the option hereinafter provided, the said owner or owners of the balance shall contribute a fraction, expressed above, of the costs of maintenance. It is understood that the owners of the balance may divide the said fraction, above, in such proportions as they may agree in writing.

8.5 Indemnity. Each owner agrees to indemnify and hold harmless each other owner from all claims arising from the use of the easements hereby created to the extent that such use occurs within the boundaries of the Development Tract of such owner. The owner of each Development Tract on which construction is performed agrees to indemnify, defend and hold harmless each other owner and each other owner's Development Tract and the improvements located thereon from all loss, cost, damage, liability and expense (including reasonable attorneys' fees) resulting from the assertion of any mechanics', materialmen's or other liens. Each owner agrees to maintain policies of fire and extended coverage insurance and public liability insurance issued by reputable companies in amounts and on policy terms customary for the improvements of such owner. Each owner releases each other owner from any liability for any loss or damage of the type provided by fire and extended coverage insurance and grants to

each other owner, on behalf of any insurer providing such insurance, a waiver of any right of subrogation which any insurer of any owner might acquire against any other owner by virtue of payment of any loss covered by such insurance.

8.6 Legal Effect. Each of the easements and rights created by this Agreement are appurtenant to the Development Tract to which they relate and may not be transferred, assigned or encumbered except as an appurtenance to such Development tract. For the purpose of each such easement and right, the Benefitted Tract will constitute the dominant estate and the Burdened Tract will constitute the servient estate. Each covenant contained in this Agreement:

- (a) is made for the direct, mutual and reciprocal benefit of each other Development Tract now or hereafter constituting a part of the total site;
- (b) creates mutual equitable servitudes on each Development Tract in favor of each other Developmental Tract;
- (c) constitutes a covenant running with the land;
- (d) binds every owner now having or hereafter acquiring an interest in any Development Tract; and
- (e) will inure to the benefit of each owner and each owner's successors, assigns and mortgages.

Each owner agrees that, on conveyance of all or any part of the total site or a Development Tract, the grantee, by accepting such conveyance, will thereby become a new party to and be bound by this Agreement. In each such instance, the owner conveying an interest in the total site or a Development Tract agrees:

- (a) to require the grantee to assume and agree to perform each of the obligations of the conveying owner under this Agreement with respect to the portion of the total site or Development Tract conveyed to such grantee by means of a written instrument executed, acknowledged and recorded in Cleveland County, Oklahoma; and
- (b) to give notice of each such conveyance and agreement to each other owner within ten (10) days after the execution thereof, which notice will be accompanied by a copy of such conveyance and agreement.

On such assumption by a grantee and the giving of notice thereof, the conveying owner will thereafter be released from any obligation under this Agreement arising thereafter with respect

to the portion of the total site or Development Tract so conveyed. Each owner agrees on the written request of the conveying owner to execute and deliver any appropriate documents or assurances to evidence such release.

8.7 No Dedication. Nothing contained in this Agreement will be deemed to constitute a gift, grant or dedication of any portion of a Development Tract to the general public or for any public purpose whatsoever, it being the intention of the owners that this Agreement will be strictly limited to the private use of the owners and their respective permittees. This Agreement is intended to benefit the owners and their respective successors, assigns and mortgagees and is not intended to constitute any person which is not an owner, a third-party beneficiary hereunder or to give any such person any rights hereunder.

8.8 Condemnation. In the event the whole, or any part, of a Development Tract is taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, an owner benefited by an easement created by this Agreement will not share in any award, compensation or other payment made by reason of the taking of a portion of any Development Tract which subject to such easement and such award, compensation or other payment will belong entirely to the owner of that portion of the Development Tract which is taken and such owner will have no further liability to any other owner for the loss of such easement, or portion thereof, located on the Development Tract so taken.

8.9 Default; Remedies. The owners agree that the provisions of this Agreement will be enforced, subject to Article V (5.10) as follows:

8.9.1 Injunctive Relief. In the event of any violation or threatened violation by any owner of any of the provisions of this Agreement, in addition to the right to collect damages, each owner will have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. Prior to the commencement of any such action, written notice of the violation will be given to the owner claimed to have committed such violation.

8.9.2 Self-Help. In the event any owner fails to perform any of the provisions of this Agreement, any other owner will have the right, without being obligated to do so, to enter upon the Development Tract and improvements of such defaulting owner and perform

the obligations of the defaulting owner hereunder; provided, however, that written notice of such intention, specifying the nature of the alleged default and the actions to be performed, has been given to the defaulting owner not less than ten (10) days prior to the commencement of such action or not less than twenty-four (24) hours prior to such commencement if in the reasonable judgment of the owner giving notice, such default is of an emergency nature. During such ten (10) day or twenty-four (24) hour period, as the case may be, the defaulting owner will have the right to perform or commence performance of action appropriate to remedy such default and, provided such action is diligently carried to completion, the right of such other owner to perform the obligation of the defaulting owner will terminate. If an owner elects to perform the action to have been performed by a defaulting owner, on completion of such action or from time to time if the action is of a continuing nature, an itemized statement of cost thereof will be submitted to the defaulting owner and the amount thereof will be immediately due and payable by the defaulting owner, which amount will bear interest at the rate of fifteen percent (15%) per annum until paid.

8.9.3 Force Majeur. If performance of any action by any owner is prevented or delayed by act of God, war, labor disputes or other cause beyond the reasonable control of such owner, the time for performance of such action will be extended for the period that such action is delayed or prevented by such cause.

8.9.4 Notice of Default. An owner shall be in default under this Agreement unless the owner has received written notice specifying the nature of such default and has failed to cure or commence appropriate action to cure such default within the times herein provided.

8.9.5 No Termination. No breach of this Agreement will entitle any owner to cancel, rescind or otherwise terminate this Agreement. The foregoing limitation will not effect, in any manner, any other right or remedy which any owner might have by reason of any breach of this Agreement.

8.9.6 Binding Arbitration. Notwithstanding the foregoing, every potential claim or dispute that an Owner or Member may have against the Homeowners'

Association or the Declarant shall be subject to BINDING ARBITRATION in accordance with the rules of the American Arbitration Association. In the event that a suit is filed with a court of competent jurisdiction prior to the completion of arbitration, the party removing the action to arbitration shall be entitled to its attorney fees and costs.

8.10 Miscellaneous. The owners further agree as follows:

8.10.1 Approvals. When approval by any owner is required hereunder, such approval will not be unreasonably withheld. Unless provision is made for a specific period of time, the period of time in which approval will be granted will be thirty (30) days and, if an owner neither approves nor disapproves a proposed action within the period, the owner shall be deemed to have given such owner's approval. If an owner disapproves any action proposed by another owner hereunder, such disapproval will not be effective unless the reasons for such disapproval are stated in writing.

8.10.2 Notices. All notices, statements, demands, approvals and other communications given pursuant to this Agreement will be in writing and will be delivered in person or be certified or registered mail, postage prepaid, to the owners at the addresses maintained by the owners on file with the office of the Cleveland County Assessor for delivery of ad valorem tax statements relating to the Development Tract until such addresses are changed by notice.

8.10.3 Attorney's Fees. If any owner institutes any action or proceeding against another owner relating to the provisions of this Agreement or any default hereunder, the unsuccessful owner in such action or proceeding will reimburse the successful owner therein for the reasonable expenses of attorneys' fees and disbursements incurred by the successful owner.

8.10.4 Waiver of Default. No waiver of any default by any owner will be implied from the failure by any other owner to take any action in respect of such default. No express waiver of any default will affect any default or extend any period of time for performance other than as specified in such express waiver. One or more waivers of any default in the performance of any provision of this agreement will not be deemed a waiver of any subsequent default in the

performance of the same provision or any other provision. The consent to or approval of any act of request by any owner will not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar act or request. The rights and remedies provided by this Agreement are cumulative and no right or remedy will be exclusive of any other or of any other right or remedy at law or in equity which any owner might otherwise have by virtue of a default under this Agreement and the exercise of any right or remedy by any owner will not impair such owner's standing to exercise any other right or remedy.

8.10.5 No Partnership. Nothing contained in this Agreement and no action by the owners will be deemed or construed by the owners or by any third person to create the relationship of principal and agent or a partnership or a joint venture or any association between or among any of the owners.

8.10.6 Severability. If any provision of this Agreement is, to any extent, declared by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement (or the application of such provision to persons or circumstances other than those in respect of which the determination of invalidity or unenforceability was made) will not be affected thereby and each provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

8.10.7 Governing Law. This Agreement will be construed in accordance with the laws of the State of Oklahoma.

8.10.8 Captions. The captions of the paragraphs of this Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained.

8.10.9 Binding Effect. The provisions of this Agreement will be binding on the owners and their respective successors, assigns and mortgagees to the extent herein provided.

IN WITNESS WHEREOF, this Declaration is executed by the
Declarant this 12 day of February, 2007.

WILLIAMSON FARMS, LLC., an Oklahoma limited liability company;
By: WILLIAMSON FARMS MANAGEMENT, LLC, MANAGER

By:


Mark Livingston, Manager

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public in and for said
County and State, on this 12 day of February, 2007 personally
appeared Mark Livingston, Manager of Williamson Farms Management,
L.L.C., Manager of Williamson Farms, LLC, to me known to be the
identical person who subscribed the name of Mark Livingston to
the foregoing instrument as its Manager and acknowledged to me
that he executed the same as his free and voluntary act and deed,
for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above
written.



Notary Public

My Commission Expires:

10-04-08

(Seal)

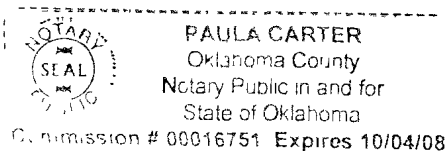


EXHIBIT A

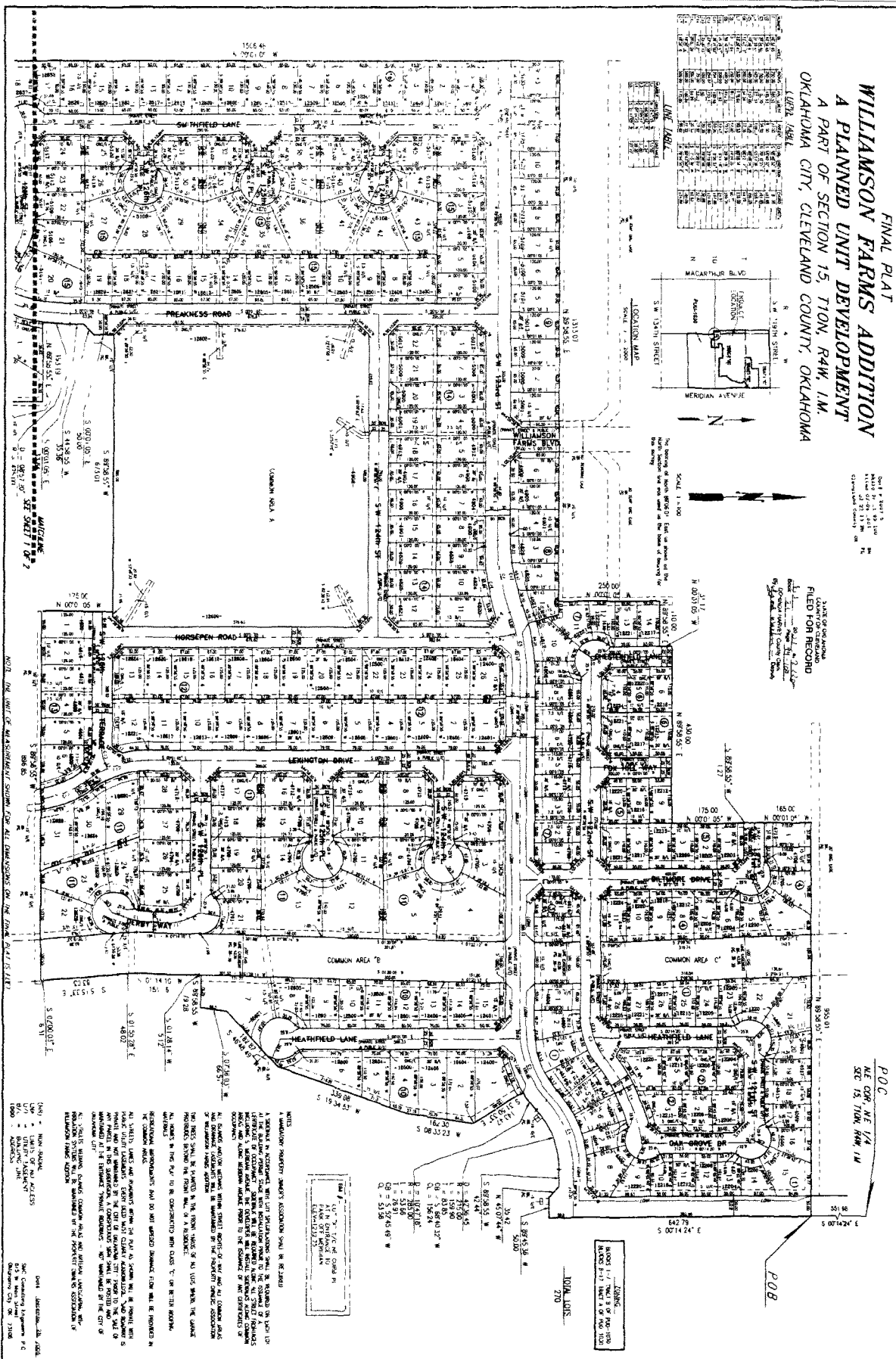


Exhibit A

Cleveland County Clerk's Office

LEGAL DESCRIPTION

[illegible]

Book 21 Page 491 100
NORTH HAVEN, Conn Clerk
Disputed 1000



SCALE 1-100

BLOCKS 8-17 TRACTA OF PUD -1030

1000+ AUTOMOTIVES

NOTE THE UNIT OF MEASUREMENT SHOWING FOR ALL DIMENSIONS ON THE FINAL PLAN > 1/2" = 1'

[illegible]STATE OF California
COUNTY OF San Berna

My Commission Expires 10-04-08

The undersigned duly qualified

Executed this 21th day of December 1908

CERTIFICATE OF APPROVAL

ACCEPTANCE OF DEDICATIONS

John F. Kennedy

procedures now pending oyo

COUNTY TREASURER'S CERTIFICATE

IN MINNESOTA, THEREOF, said Equity Trust

REGISTERED LAND SURVEYOR

Minimum Standards for the Practice of Land Surveying, Engineering and Civil Surveyors and their Associates

1.000: 1000 (1000)

Review me the under:
2016 seasonally adjusted

.....

DATE RECEIVED: 12-1-68
SAC Consulting Engineers P
815 W. Main Street
Davenport City, IA 52806
WILLIAMSON FARGUS ADDISON
A PLANNED UNIT DEVELOPMENT
THRU PLAT SHEET 2 of 2

Exhibit A

Cleveland County Clerk's Office

EXHIBIT B

BY-LAWS
WILLIAMSON FARMS HOMEOWNERS' ASSOCIATION
(A REAL ESTATE DEVELOPMENT)

ARTICLE 1

NAME AND LOCATION

The name of this Real Estate Development is **Williamson Farms P.U.D.**

ARTICLE 2

PURPOSE AND PARTIES

2.1 The administration of every property described in Exhibit "A" of the Declaration of Covenants, Conditions and Restrictions of which these are a part which has been submitted according to the provisions of 60 Okla. Stat. §§851 through 855, inclusive, by the recording of said Covenants, Conditions and Restrictions and the Exhibits thereto, including a true and correct copy of the By-Laws. All definitions and terms contained in said Covenants, Conditions and Restrictions shall apply hereto and are incorporated herein by reference.

2.2. All present and future owners, future tenants of any lot, mortgagees and other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Covenants, Conditions and Restrictions, the rules and regulations, all covenants, conditions and restrictions, agreements and easements relating thereto. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a lot shall constitute an agreement that these By-Laws, the Covenants, Conditions and Restrictions, as they may be amended from time to time, and the title conditions are accepted and will be complied with.

ARTICLE 3

LOT OWNERS

3.1. Membership.

Any person on becoming an owner of a lot becomes a member of the Williamson Farms Homeowners Association and will be subject to these By-Laws. Such membership shall terminate without any formal Homeowner's Association action whenever such person ceases to own a lot, but such termination shall not relieve or release any such former owner from any liability or obligation incurred

under or in any way connected with this Homeowners Association during the period of such ownership and membership in this Homeowners Association or impair any rights or remedies which the owners have either through the Board of Managers of the Homeowners Association or directly against such former owner or member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. The membership shall be deemed, conveyed or encumbered with the lot even when such interest is not expressly mentioned or described in the conveyance or other instrument.

3.2. Annual Meetings.

Regular annual meetings of members of the Homeowner's Association shall be held on the project or such other suitable place convenient to the members as may be designated by the Board. The first meeting of the Homeowners Association shall be held within forty-five (45) days after the close of the sale of sufficient lots to constitute a majority of lot owners calculated without the consideration of the interest owned by the Developer but, in no event, shall the first meeting be held later than the earlier of (i) four months after seventy-five percent (75%) of the lots in the project have been conveyed to lot purchasers or (ii) three years after the first lot is conveyed. Until the first meeting of the Homeowners' Association, the Developer, or its designees shall run and manage the affairs of the Property in lieu of the Homeowners' Association, but with the rights and powers granted by the Covenants, Conditions and Restrictions and these By-laws.

3.3. Special Meetings.

A special meeting of members of the Homeowners Association shall be promptly called by the Board upon the vote of such a meeting by a majority of a quorum of the Board or upon receipt of a written request therefore signed by members representing twenty-five percent (25%) of the total voting power of the Homeowners Association or by members representing fifteen percent (15%) of the voting power residing in members other than Developer.

3.4. Notice of Meetings.

Written notice of regular and special meetings shall be given to members by the Board by mailing a notice to each member which shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. Except in the case of an emergency, notice shall

be mailed to each member at least ten (10) days prior to the meeting and shall be posted in a conspicuous place on the common elements.

3.5. Quorum.

Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the votes attributed to the Lot owners shall constitute a quorum at all meetings of the lot owners. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. An affirmative vote of a majority of the owners present, either in person or by proxy, shall be required to transact the business of the meeting except wherein the Covenants, Conditions and Restrictions, these By-Laws or by law a higher percentage vote is required.

3.6. Proxies.

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot or upon receipt of notice by the secretary of the Board of the death or judicially declared incompetence of such member.

3.7. Adjournment.

In the absence of a quorum at the commencement of a members meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. Any adjournment for lack of a quorum shall be a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be twenty-five percent (25%) of the total voting power of the Homeowners Association.

3.8. Voting.

The owner or owners of each lot shall be entitled to one (1) vote, the value of which shall equal the common interest assigned to said owner or owner's lot as set forth in Exhibit "A" to the Covenants, Conditions and Restrictions, except that the Developer shall be entitled to the votes as reflected in the Covenants, Conditions and Restrictions.

3.9. Order of Business.

The order of business of all meetings of the owners shall follow:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of unapproved minutes;
- (d) Reports of officers;
- (e) Reports of Board of Managers;
- (f) Reports of Committees;
- (g) Election of members of the Board of Managers;
- (h) Unfinished business;
- (i) New business; and,
- (j) Adjournment.

ARTICLE 4

BOARD OF MANAGERS, SELECTION, TERM OF OFFICE

4.1. Number and Term of Managers.

The Board shall consist of three (3) managers/directors, each of whom shall be a lot owner or an agent of Developer (while Developer remains a lot owner). The "Developer" shall mean Williamson Farms, L.L.C. acting through an agent or agents. The managers shall serve concurrent terms of not more than two (2) years. The initial managers, who shall be appointed by the Developer, or its duly elected replacement, shall serve until the first meeting of the Homeowners Association; thereafter, all managers shall be elected and removed according to these By-Laws. So long as the Developer owns one or more lots, the Developer shall be entitled to elect at least one (1) member of the Board of Managers, who need not be a lot owner. After the Developer has conveyed all lots and is no longer entitled to elect one member of the Board of Managers, all managers shall be lot owners.

4.2. Election of Board of Managers.

4.2.1. Nomination. Nominations for election to the Board of Managers/Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the Homeowners Association. The nominating committee shall consist of a chairman, who shall be a member of the Board of Managers, and two or more members of the Homeowners Association. The nominating committee shall be appointed by the Board of Managers at least ninety (90) days prior to each annual meeting of the members to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board of Managers as it shall in its

discretion determine but not less than the number of vacancies that are to be filled.

4.2.2. Cumulative voting. Elections of Board members shall be by secret written ballot. All elections in which more than two (2) positions on the Board are to be filled shall be conducted by cumulative voting.

4.2.3. Special Provisions. Except as is hereinabove provided for so long as a majority of the voting power of the Homeowners Association resides in the Developer, the first managers to be elected shall be elected solely by the votes of owners other than the Developer and the remaining managers shall be elected by the usual cumulative voting procedures.

4.3. Removal.

Unless the entire Board is removed from office by the vote of the Homeowners Association's members, an individual manager shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal is greater than the quotient arrived at by dividing the total number of votes that may be cast plus the authorized number of managers. A manager elected pursuant to the special procedures set forth in Sub-Article 4.2.3 may be removed prior to the expiration of his term only by a simple majority of the voting power residing in members other than the Developer. No manager shall continue to serve on the Board if during his term of office, he shall cease to be a lot owner.

4.4. Vacancies.

Vacancies in the Board caused by any reason other than the removal of a manager by a vote of the members shall be filled by a vote of the majority of the remaining managers, even though they may constitute less than a quorum, and each person so elected shall be a manager until a successor is elected at the next annual meeting of the Homeowners Association or at a special meeting of the members called for that purpose.

ARTICLE 5

MEETING OF MANAGERS

5.1. Regular Meetings.

Regular meetings of the Board shall be conducted at least monthly at a time and place within or near the project as may be fixed by the Board. Notice of the time and place of regular meetings shall be given to each manager personally or by mail, telephone or telegraph at least three (3) days prior to the day named for the meeting and shall also be posted at a prominent place or places within the common elements.

5.2. Special Meetings.

A special meeting of the Board may be called by written notice signed by the President of the Homeowners Association or by any two (2) managers other than the president. Notice shall be provided to all managers and posted in the common elements in the manner prescribed for notice of regular meetings and shall include a description of the nature of any special business to be considered by the Board.

5.3. Waiver of Notice.

Before or at any meeting of the Board, any manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to that manager. Attendance by a manager at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting.

5.4. Quorum.

The presence in person of a majority of the managers at any meeting of the Board shall constitute a quorum for the transaction of business and the acts of a majority of the managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If at any meetings of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

5.5. Adjournment; Executive Session.

The Board may, with the approval of a majority of quorum of the managers, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Homeowners Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

5.6. Board Meetings Open to Members.

Regular and special meetings of the Board shall be open to all members of the Homeowners Association; provided, however, that members who are not on the Board may not participate in deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

5.7. Managing Agent and/or Manager.

The Board of Managers may employ for the project a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize.

5.8 Fidelity Bonds.

The Board of Managers shall attempt to obtain adequate fidelity bonds for all officers and employees of the project handling or responsible for project funds. The premium for such bonds shall constitute a common expense.

5.9 Compensation.

No member of the Board of Managers shall receive any compensation from the Homeowners Association or lot owners for acting as such.

5.10 Liability of the Board of Managers.

The members of the Board of Managers shall not be liable to the lot owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The lot owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Homeowners Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Covenants, Conditions and Restrictions or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Homeowners Association or the project. It is understood and permissible for the original Board of Managers, who are members of or employed by Developer, to contract with the Developer and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any lot owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total

liability thereunder as his interest in the common elements bears to the interests of all the lot owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Homeowners Association shall provide that the members of the Board of Managers, or the managing agent or the manager, as the case may be, are acting only as agents for the lot owners and shall have no personal liability thereunder (except as lot owners) and that each lot owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all lot owners in the common elements.

ARTICLE 6

POWERS AND DUTIES OF THE BOARD OF MANAGERS

6.1 Powers and Duties.

The Board of Managers shall have the powers and duties necessary for the administration of every property and may do all such acts and things except as by law or by the Covenants, Conditions and Restrictions or by these By-Laws may not be delegated to the Board of Managers by the lot owners. Without limitation on the generality of the foregoing powers and duties, the Board shall be vested with and responsible for the following powers and duties:

6.1.1. To select, appoint, supervise and remove all officers, agents and employees of the Homeowners Association; to prescribe such powers and duties for them as may be consistent with law and with the Covenants, Conditions and Restrictions and these By-Laws; and to fix their compensation (if not prohibited under these By-Laws) and to require from them security for faithful service when deemed advisable by the Board;

6.1.2. To enforce the applicable provisions of the Covenants, Conditions and Restrictions, these By-Laws and other instruments relating to the ownership, management and control of the project;

6.1.3. To adopt and publish rules and regulations governing the use of the common elements and facilities and the personal conduct of the members of their guests thereon and to establish procedures and penalties for the infraction thereof, subject to the approval of the membership ;

6.1.4. To pay all taxes and assessments which are or could become a lien on the common elements or a portion thereof;