

BY-LAWS

OF

TIMBERLANE HOMES

ASSOCIATION, INC

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BY-LAWS
OF
TIMBERLANE HOMES ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION: The name of the corporation is Timberlane Homes Association, Inc., hereinafter referred to as the “Association.” The principle office of the association shall be located at 800-156th Avenue NE, Bellevue, Washington, but meetings of members and directors may be held at such places within the State of Washington, County of King, as may be designated by the board of directors.

ARTICLE II

DEFINITIONS

SECTION 1. “ASSOCIATION” shall mean Timberlane Homes Association, Inc. its successors and assigns.

SECTION 2. “DEVELOPER” shall mean Covington Properties, a joint venture comprised of Sherwood Development Co. and United Homes Corporation, both Washington corporations, and any successors or assigns engaged in land development and/or wholesale land sale activities which are the same as, or similar to, those of Covington Properties.

SECTION 3. “TRUSTEE” shall mean the National Bank of Washington or any successor trustee holding title to the common properties.

SECTION 4. “PROPERTIES” shall mean that certain real property described in Article III of the Articles of Incorporation and such additions thereto as may hereafter be brought within the jurisdiction of association.

SECTION 5. “COMMON PROPERTIES” shall mean all real property owned by the trustees or the association for the common use and enjoyment of the members of the association and shall not include any streets or other areas dedicated to public use.

SECTION 6. “LOT” shall mean any plot of land shown upon any recorded subdivision map of the properties with the exception of the common properties and properties to be used for shopping center and professional office complex development and for churches and church purposes.

SECTION 7. “MEMBER” shall mean every person or entity who holds a membership in the association.

SECTION 8. "OWNER" shall mean the record owner, whether one or more persons or entities and specifically including the developer, of the fee simple title to any lot or lots which are a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 9. "DECLARATION" shall mean and refer to the declaration of covenants, conditions and restrictions applicable to the properties recorded or to be recorded in the office of the King County Auditor.

SECTION 10. The term "THE DEVELOPMENT PERIOD" shall mean that period of time from the date of recording of the declaration until the date on which eighty seven percent (87%) of the properties now or hereafter platted on the property described in exhibit "A" attached to said declaration have been sold by developer.

SECTION 11. The term "UNDEVELOPED LOT" shall mean any lot which has not been improved by construction of a residence thereon. The term "DEVELOPED LOT" shall mean any lot upon which a residence has been constructed.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. MEMBERSHIP. Every person or entity who is the record owner of a fee interest in any lot or lots which are subject by covenants or record to assessment by the trustee named in the declaration or by the association, shall be a member of the association provided, however, that if any lot is held jointly by two (2) or more persons, the several owners or such interest shall designate one of their number as the "member." The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owners shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessments by the trustee or the association except that the incorporators shall be eligible for membership without regard to ownership of an interest in the properties. Incorporators who are not owners of a lot subject to assessment shall cease to be members of the association at the expiration of two (2) weeks from the date of incorporation of the association. Upon transfer of the fee interest to any lot, the membership and certificate of membership in the association shall ipso facto be deemed to be transferred to the grantee. Ownership of any such lot shall be the sole qualification for membership.

SECTION 2. SUSPENSION OF MEMBERSHIP. During any period in which a member shall be in default in the payment of any monthly or special assessment, the voting rights and right to use of Recreational Facilities by such member may be suspended by the board of directors until such assessment has been paid. During the development period

the board of directors shall be required to exercise such right upon the request of the developer. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed (30) days, for violation of any rules and regulations established by the board of directors governing the use of the common properties and facilities.

SECTION 3. VOTING RIGHTS. No person shall have more than one (1) membership regardless of the number of lots owned and the interest of each member shall be equal to that of any other member, and no member may acquire any interest which shall entitle him to any greater voice, vote or authority in the association than any other member. In the case of lots owned jointly by two (2) or more persons, only the joint owner designated as the “member” pursuant to Section I of this Article III shall be entitled to vote.

In the event that the non-profit corporation law of the State of Washington as set forth in Title 24, revised code of Washington is changed to permit one member of a non-profit corporation to exercise greater voting right than another member, voting shall thereafter be according to the number of lots owned, that is, members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article IV. When more than one person holds such interest in any lot, the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

SECTION 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided in the declaration. Any member may delegate his rights of enjoyment of the common properties and facilities to the members of his family or his contract purchasers or tenants who reside on the property and, subject to regulation by the board of directors to his temporary guests. Such members shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the members.

SECTION 2. Irrespective of the fact that section (b) of Article VI of the declaration gives the association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon by the common properties, this right shall not be exercised as to members for a period of five years from the date of the recordation of the declaration and after this period only upon written approval of two-thirds (2/3) of the entire membership.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

SECTION 1. NUMBER. The affairs of this association shall be managed by a board of not less than five (5) nor more than nine (9) directors, who need not be members of the association.

SECTION 2. ELECTIONS. At the first annual meeting, which shall be held not later than six months from the date of the incorporation of this association, the members shall elect three directors for a term of one year, three directors for a term of two years, and three directors for a term of three years; and at each annual meeting there after the members shall elect three directors for a term of three years.

SECTION 3. REMOVAL. Any director may be removed from the board, with or without cause, by a majority vote of the members of the association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

SECTION 4. COMPENSATION. No director shall receive compensation for any service he may render to the association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

SECTION 5. ACTION TAKEN WITHOUT A MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of directors.

ARTICLE VI

MEETING OF DIRECTORS

SECTION 1. REGULAR MEETINGS. Regular meetings of the board of directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Should said meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS. Special meetings of the board of directors shall be held when called by the president of the association or by any two directors, after not less than three (3) days notice to each director.

SECTION 3. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. NOMINATION. Nomination for election to the board of directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the board of directors, and two or more members of the association. The nominating committee shall be appointed by the board of directors prior to each annual meeting of the members, to serve from the close of such annual meeting to the close of the next annual meeting and appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the board of directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be from among members and non-members.

SECTION 2. ELECTIONS. Election to the board of directors shall be by secret written ballot. At such election, the members or their proxies may each cast one vote. The names receiving the largest number of votes shall be elected.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. POWERS. The board of directors shall have power:

- (a) to adopt and publish rules and regulations governing the use of the common properties and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) to exercise for the association all powers, duties and authority vested in or delegated to this association not reserved to the membership by other provisions of these by-laws, the articles of incorporation, or the declaration;
- (c) to declare the office of a member of the board of directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the board of directors; and
- (d) to employ a manager, and independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

SECTION 2. DUTIES. It shall be the duty of the board of directors:

- (a) to cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- (b) to supervise all officers, agents and employees of this association, and to see that their duties are properly performed;
- (c) as more fully provided herein and in the declaration;
 - (1) to establish, levy and assess, and collect the assessments or charges referred to in Article VII, of the declaration as applicable to the association; and
 - (2) to send written notice of each assessment to every owner subject thereto at least (30) days in advance of each annual assessment period.
- (d) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. Such certificates shall be conclusive evidence of any assessment therein stated to have been paid;
- (e) to procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the association;
- (f) to cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) to cause any common properties owned by the association to be maintained.

ARTICLE IX

COMMITTEES

SECTION 1. The association shall appoint a nominating committee as provided in these by-laws, and shall appoint an architectural control committee to perform the duties and functions described in Article X, Section 2, of the Declaration. In addition, the board of directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

1. A Recreation Committee which shall advise the board of directors on all matters pertaining to the recreational program and activities of the association and shall perform such other functions as the board, in its discretion, determines;
2. A Maintenance Committee which shall advise the board of directors on all matters pertaining to the maintenance, repair or improvement of the common properties, and shall perform such other functions as the board in its discretion, determines;
3. A Publicity Committee which shall inform the members of all activities and functions of the association and shall, after consulting with the board of directors, make such public release and announcements as are in the best interest of the association; and
4. An Audit Committee which shall supervise the annual audit of the association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8 (c). The treasure shall be an Ex Officio member of the committees.

SECTION 2. It shall be the duty of each committee to receive complaints from members on any matter involving association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the association as is further concerned with the matter presented.

ARTICLE X

MEETING OF MEMBERS

SECTION 1. ANNUAL MEETING. The first annual meeting of the members shall be held within six months from the date of the incorporation of the association, and each subsequent regular annual meeting of the members shall be held on the same day of the month of each year thereafter, at the hour of 7:00 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour the first day following which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called at any time by the president or by the board of directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.

SECTION 3. NOTICE OF MEETINGS. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the association, or supplied by such member to the association for the purpose of notice, such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

SECTION 4. QUORUM. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the articles of incorporation, the declaration, or these by-laws. If, however, such quorum shall not be present or represented at any meeting, their members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

SECTION 5. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

SECTION 1. ENUMERATION OF OFFICERS. The officers of this association shall be a president and vice-president, who shall at all times be members of the board of directors, a secretary, and a treasurer, and such other officers as the board may from time to time by resolution create.

SECTION 2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the board of directors following each annual meeting of members.

SECTION 3. TERM. The officers of the association shall be elected annually by the board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

SECTION 4. SPECIAL APPOINTMENTS. The board may elect such other officers as the affairs of the association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.

SECTION 5. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time by giving written notice to the board, the president or the secretary. Such resignation shall take effect on the day of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. VACANCIES. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to fill such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7. MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

SECTION 8. DUTIES. The duties of the officers are as follows:

PRESIDENT

- (a) The president shall preside at all meetings of the board of directors, shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE-PRESIDENT

- (b) The vice-president shall act in the place and stead 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.

SECRETARY

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the members; keep appropriate current records showing the members of the association together with their addresses, and shall perform such other duties as required by the board.

TREASURER

- (d) 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 of trustees; shall sign all checks and promissory notes of the association; keep proper books of account; cause an annual audit of the association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XII

ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. By the declaration, each member is deemed to covenant and agree to pay the trustee during the development period, and thereafter to the association: (1) monthly assessments or charges, and (2) special assessments for capital improvements. The monthly and special assessments together with such interest thereon and costs of collection thereof, as herein after provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest and cost of collection thereof (including reasonable attorney fees) shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them: provided, however, that in the case of a sale of any lot which is charged with the payment of an assessment or assessments payable in installments, the person or entity who is the owner immediately prior to the date of any such sale shall be personally liable only for the amount of the installments due prior to said date. The new owner shall be personally liable for installments which become due on and after said date.

SECTION 2. PURPOSE OF ASSESSMENT. The assessments shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the properties, including without limitation, the construction, establishment, improvement, repair and maintenance of the common properties, including, but not limited to, the maintenance and repair of any roads and underground utilities which are a part of the common properties, the installation and maintenance of the median or boulevard planter strips on streets located within the subdivision, street lighting charges, fees incurred in the management and operation of the common properties and facilities and the payment of trustees fees to the trustee appointed pursuant to the declaration.

SECTION 3. AMOUNT OF THE MONTHLY ASSESSMENTS. The amount of the monthly assessments shall be as follows:

- (a) During such time as title to the common properties is held by the trustee, and subject to the provisions of Section 6 of this Article XII lot owners shall pay to the trustee the following amounts to be used for the purposes provided in Section 2 of the Article XII and for no others:
 - (1) owners of undeveloped lots, one dollar and fifty cents (\$1.50) per month per lot and
 - (2) owners of developed lots five dollars (\$5.00) per month per lot (subject to increase pursuant to the provisions of this Section 3 and of Section 4 of this Article XII).

The extent of the expenditures for the purposes specified in Section 2 of this Article XII shall be determined by the developer, subject to the provisions of Article VI, Section 4 of the Declaration. If the amount of any such expenditures to be made in any calendar year during the development period will exceed the amount of the total assessments received by the trustee, the developer hereby covenants and agrees to pay the excess amount involved out of its own funds. If at any time the amount of the developer's payments hereunder shall, due to unforeseen circumstances, become excessively burdensome, the developer may apply to the trustee to approve an increase in the amount of the maximum monthly assessment for each developed lot, subject to the further approval of the Federal Housing Administration and the Veterans Administration. If any event the said monthly assessment for developed lots may be increased during the development period by a vote of two-thirds (2/3) of the members voting in person or by proxy, at a meeting duly called for such purpose, written notice of which shall be sent to all members not less than (30) days nor more than (60) days in advance of the meeting. The maximum monthly assessment may be increased by the association without the assent of two-thirds (2/3) of the members as provided in Section 4 of this Article XII.

(b) Upon termination of the trustee and conveyance of the common properties to the association and subject to the provisions of Section 6 of this Article XII, lot owners shall pay to the association maximum monthly assessments as follows:

- (1) owners of undeveloped lots, one dollar and fifty cents (\$1.50) per month per lot; and
- (2) owners of developed lots, five dollars (\$5.00) per month per lot (or in the event that said amount has been increased as provided in the preceding subparagraph (a) or in Section 4 of this Article XII, the amounts as so increased). Provided, that said maximum monthly assessment may be increased by the association with the consent of two-third (2/3) of members voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all members not less that thirty (30) days nor more than sixty (60) days in advance of the meeting. After consideration of current maintenance costs and future needs of the association, the board of directors may fix the monthly assessment at an amount less than the maximum monthly assessment. The maximum monthly assessment may be increased by the association without the assent of two-thirds (2/3) of the members as provided in Section 4 of this Article XII.

SECTION 4. INCREASE IN MONTHLY ASSESSMENTS IN CONFORMANCE WITH RISE IN CONSUMER PRICE INDEX. From and after January 1, 1973, the amount of the monthly assessment for developed lots may be increased effective January 1, of each year without a vote of the membership by not more than that amount which reflects the increase, if any, of the U.S. Bureau of Labor

Statistics Consumer Price Index (calculated on the the base period: 1957-1959 equal 100) for Seattle Washington, for “urban wage earners and clerical works-all items,” for the preceding month of August. Said index establishes the numerical rating for Seattle for the month of _____ as _____. This shall be the base rating. To determine the percentage by which the monthly assessment for each subsequent year may be increased without a vote of the membership, said base rating shall be divided into the said consumer price index for the month of August preceding the effective date of the proposed increase. Said adjustment percentage, if in excess of 100 percentum, shall be multiplied by the initial monthly assessment amount provided for herein to determine the maximum amount to which the monthly assessment may be increased for the subsequent year without a vote of the membership.

SECTION 5. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS.

In addition to the monthly assessments authorized above, the association may levy special assessments against developed lots for capital improvements upon the common properties. Any such levy by the association shall be for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common properties, including the necessary fixtures and personal property related thereto: provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than (30) days not more than (60) days in advance of the meeting setting forth the purpose of the meeting.

SECTION 6. UNIFORM RATE. Both monthly and special assessments shall be fixed at a uniform rate for all developed lots.

SECTION 7. QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 3 AND 5. At the first meeting called, as provided in sections 3 and 5 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Sections 3 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 8. DATE OF COMMENCEMENT OF MONTHLY ASSESSMENTS: due dates, as to all lots, the liability for the monthly assessments provided for in Section 3 (a) and (b) of this Article XII shall begin on the first day of the calendar month following the conveyance of the common area. Said assessment shall be due and payable on such date and on the first day of each calendar month thereafter. The due date of any special assessments under Section 5 hereof shall be fixed by the resolution authorizing such assessment.

SECTION 9. EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES.

If any assessment is not paid within thirty (30) days after it was first due and payable, the assessment shall bear interest from the date on which it was due at the rate of eight percent (8%) per annum, and the developer or upon termination of the trust, the association, may bring an action at law against the one personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be included in any judgment or decree entered in such suit. No owner or contract purchaser shall be relieved of liability for the assessments provided for herein by non-use of the common properties or abandonment of his lot.

SECTION 10. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage (and to the lien of any second mortgage given to secure payment of the purchase price) now or hereafter placed on any lot. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot which is subject to such first mortgages, or purchase money second mortgage pursuant to a decree of foreclosure under such mortgage or in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof, which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 11. EXEMPT PROPERTIES. The following subject to the declaration shall be exempt from the assessments created therein; (a) all properties dedicated to and accepted by a local public authority; (b) the common properties; and (c) all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Washington. However, no land or improvement occupied as a dwelling shall be exempt from said assessments.

ARTICLE XIII

BOOKS AND RECORDS

These books, records and papers of the association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the association where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

The association shall have a seal in circular form having within its circumference the words "Timberlane Homes Association, Inc." And the words "Corporate Seal Washington 1968" in the form and style as affixed in these by-laws by impression of such seal.

ARTICLE XV

BY-LAWS MAY BE AMMENDED

SECTION 1. These by-laws may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy except that during the development period, the developer, the Federal Housing Administration, and the Veterans Administration shall have the right to veto amendments.

SECTION 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVII

DATE OF ADOPTION

These by-laws were duly adopted by the Association and the corporate seal thereof affixed on _____ day of July, 1968.

Attest:

President

Secretary