

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MANAGEMENT CERTIFICATE OF
PEACOCK ISLES HOMEOWNERS ASSOCIATION

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

Pursuant to Tex. Prop. Code chs. 202 and 209, including Tex. Prop. Code sec. 209.004(a-1), the undersigned, acting on behalf of Peacock Isles Homeowners Association, the property owners' association for Peacock Isles, a residential subdivision in Galveston County, Texas, (the "Subdivision") submits this Management Certificate of Peacock Isles Homeowners Association.

1. The name of the Subdivision is Peacock Isles.
2. The name of the association for the Subdivision is Peacock Isles Homeowners Association ("Association").
3. The plat for the Subdivision is recorded in the Official Public Records of Galveston County, Texas, as follows:

The Plat of Peacock Isles recorded on November 18, 2020 at Galveston County Clerk's Instrument No. 2020074383, of the Map or Plat Records of Galveston County, Texas; and

Peacock Isles Lots 18 and 19 Block 2 Amending Plat recorded on March 30, 2023 at Galveston County Clerk's Instrument No. 2023014115, of the Map or Plat Records of Galveston County, Texas.

4. The Declaration applicable to the Subdivision is the Declaration of Covenants, Conditions and Restrictions for Peacock Isles, and has been recorded in the Real Property Records of Galveston County, Texas, under County Clerk's Instrument No. 2022020316.

5. The name and mailing address of the Association is Peacock Isles Homeowners Association, c/o Bay Property Management & Realty LLC, P.O. Box 2144, Friendswood, Texas 77549-2144.

6. The name, mailing address, telephone number, and email address of the person managing the association or the association's designated representative is Bay Property Management & Realty LLC, P.O. Box 2144, Friendswood, Texas 77549-2144, attn: Bill Hall, (281) 992-5566, bhall@baypropertygmt.net.

7. The amount and description of a fee or fees charged by the association relating to a property transfer in the subdivision is \$0.00.

8. True and correct copies of the current Certificate of Filing and Certificate of Formation of the Association, By-Laws of Peacock Isles Homeowners Association, Alternative Payment Schedule Policy, Collection Referral Policy, Deed Restriction Violation Dispute Resolution Policy, Delinquency Collection Policy, Document Production and Copying Policy, Document Retention Policy, and Rental and Lease Policy are attached hereto.

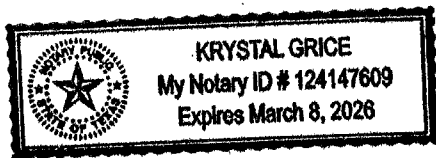
Signed this 27th day of October, 2023.

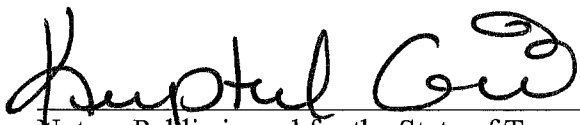
PEACOCK ISLES HOMEOWNERS
ASSOCIATION

By: 
Jon Skeelee, President

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the 27th day of October, 2023 by Jon Skeelee, President of Peacock Isles Homeowners Association, a Texas non-profit corporation, on behalf of said non-profit corporation.




Notary Public in and for the State of Texas



Office of the Secretary of State

CERTIFICATE OF FILING OF

Peacock Isles HOmeowners Association
File Number: 804750292

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/21/2022

Effective: 09/21/2022



A handwritten signature in black ink, appearing to read "John B. Scott".

John B. Scott
Secretary of State

FILED
in the Office of the
Secretary of State of Texas
SEP 21 2022
Corporations Section

CERTIFICATE OF FORMATION

FOR

PEACOCK ISLES HOMEOWNERS ASSOCIATION

The undersigned, being a natural person of 18 years of age or more, acting as incorporator of a non-profit corporation under the Texas Business Organizations Code, does hereby adopt this Certificate of Formation for Peacock Isles Homeowners Association.

ARTICLE I

The name of the corporation is Peacock Isles Homeowners Association ("Corporation"). The initial address of the Corporation is 106 E. Willowick, Friendswood, Texas 77546.

ARTICLE II

The Corporation is a non-profit corporation organized pursuant to the Texas Business Organizations Code.

ARTICLE III

The purposes for which the Corporation is organized are to serve as a homeowners association for the residential community known as Peacock Isles, a subdivision in Galveston County, Texas, including any area hereafter created by the addition and annexation of additional property thereto (collectively, "Subdivision"), and all matters appurtenant thereto, including but not limited to: (1) owning and maintaining common green areas and enforcing covenants to preserve the appearance of the Subdivision; (2) promoting the health, safety and welfare of the residents within the Subdivision; (3) exercising the powers and privileges and performing the duties and obligations as set forth in the deed restrictions applicable to the Subdivision ("Restrictions"); (4) fixing, levying, collecting and enforcing payment by any lawful means of charges and assessments pursuant to the terms of the Restrictions, and paying all expenses in connection therewith, all office and other

expenses incident to the conduct of the affairs of the Corporation and all licenses, taxes and other governmental charges levied or imposed against the property of the Corporation; (5) acquiring, owning, holding, improving, building upon, operating, maintaining, conveying, selling, leasing, transferring, dedicating for the public use or otherwise disposing of real and personal property in connection with the affairs of the Corporation; (6) borrowing money, and mortgaging, pledging or hypothecating any or all of its real or personal property as security for borrowed money or debts incurred; (7) dedicating, selling or transferring all or any part of any common area of the property of the Corporation to any public agency, authority, utility company or governmental entity; (8) participating in mergers and consolidations with other non-profit corporations organized for the same purposes or adding or annexing additional property or common area to the Subdivision; and (9) exercising such other lawful powers, rights and privileges which a corporation organized under the Texas Business Organizations Code for the purpose of operating as a property owners association may now or hereafter have or exercise.

ARTICLE IV

The initial registered agent of the Corporation is Gregory P. Crinion, and the street address of the initial registered office of the Corporation is 106 E. Willowick, Friendswood, Texas 77546.

ARTICLE V

Management of the affairs of the Corporation is vested in the board of directors. The number of directors that constitutes the initial board of directors is five, and the names and addresses of the persons who are to serve as directors until the first annual meeting of the members or until their successors are elected and qualified are as follows:

Jon Skeele, 106 E. Willowick, Friendswood, Texas 77546
Margie Skeele, 106 E. Willowick, Friendswood, Texas 77546
Scott H. Mixon, 106 E. Willowick, Friendswood, Texas 77546

Eileen Cruz, 106 E. Willowick, Friendswood, Texas 77546
Amanda Bjerke, 106 E. Willowick, Friendswood, Texas 77546

The number of directors may be changed by amendment of the By-Laws of the Corporation or by resolution of the board of directors, but in no event shall the directors number less than three.

ARTICLE VI

The membership of the Corporation shall consist of one class being the record owners of all Lots within the Subdivision; lienholders shall not be considered owners. There shall be no more than one (1) membership per Lot owned. In the event the owner of a Lot is more than one (1) person, votes and rights of use and enjoyment shall be as provided in the Declaration and the By-Laws of the Corporation. The rights and privileges of membership may only be exercised by a Member, subject to the provisions of the Declaration and the By-Laws of the Corporation. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the owner in a written instrument provided to the Secretary, subject to the provisions of the Declaration and the By-Laws of the Corporation. The Declarant shall be Seabrook Mija, LLC, a Texas limited liability company, and its successors and assigns ("Declarant") and, notwithstanding the foregoing, shall have the sole and only vote with respect to any and all matters that the members have the right to vote on or elect until such time as the Declarant is no longer an owner of any Lots in the Subdivision.

ARTICLE VII

Additional properties may, from time to time, be joined with those properties constituting the Subdivision as of the date hereof and thereby be added and annexed into the Subdivision and the jurisdiction of the Corporation. The owners of such properties shall be entitled to all rights and privileges, and be responsible for all duties and obligations, hereunder and under the Restrictions and

the By-Laws of the Corporation. Any such addition and annexation requested by Declarant shall not require the assent of any of the members or directors of the Corporation, and each such addition and annexation, regardless of number of lots involved or the frequency of request, shall be approved and completed by the Board of Directors of the Corporation upon the written request of Declarant. All other additions and annexations shall require the approval of 2/3 of the Members of the Corporation at a meeting thereof duly called and held for such purpose as provided in the Restrictions.

ARTICLE VIII

The members or the directors of the Corporation, or a committee of the directors of the Corporation, may take action without holding a meeting, providing notice, or taking a vote if each person entitled to vote on the action signs and delivers a written consent or consents stating the action taken. An action so approved by written consent or consents has the effect of an approval by a unanimous vote at a meeting.

Any action required to be taken at a meeting of the directors of the Corporation, and any action that may be taken at a meeting of the directors or a committee of the Corporation, may be taken without a meeting if a written consent, stating the action to be taken, is executed and delivered by the number of directors or committee members necessary to take that action at a meeting at which all of the directors or committee members were present and voted.

Any action required to be taken at a meeting of the members of the Corporation may be taken, without holding a meeting, providing notice, or taking a vote, if members of the Corporation, having at least the minimum number of votes that would be necessary to take the action that is the subject of the consent at a meeting in which each owner or member entitled to vote on the action is present and votes, sign and deliver a written consent or consents stating the action taken.

An action required by ch. 22, Texas Business Organizations Code, to be taken at a meeting of the Corporation's directors, or an action that may be taken at a meeting of the directors or a committee of the directors, may be taken without a meeting if a written consent, stating the action to be taken, is signed and delivered by the number of directors or committee members necessary to take that action at a meeting at which all of the directors of committee members are present and voting.

ARTICLE IX

The name and address of the organizer is Gregory P. Crinion, 106 E. Willowick, Friendswood, Texas 77546.

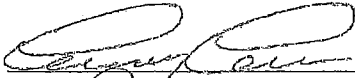
ARTICLE X

This document becomes effective when filed by the Secretary of State.

ARTICLE XI

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of September, 2022.



Gregory P. Crinion

BY-LAWS
OF
PEACOCK ISLES HOMEOWNERS ASSOCIATION

These By-laws of Peacock Isles Homeowners Association (“By-laws”) are hereby adopted as the by-laws of Peacock Isles Homeowners Association (“Corporation”) and shall hereafter govern the affairs of the Corporation pursuant to the provisions of the Texas Business Organizations Code (the “Code”) and other laws applicable to a property owners association.

ARTICLE 1. NAME AND OFFICES

1.01 Name. The affairs of the Corporation shall at all times be conducted in the name of Peacock Isles Homeowners Association.

1.02 Principal Office. The principal office of the Corporation shall be located at 1414 S. Friendswood Drive, Suite 404, Friendswood, Texas 77546. The Corporation may have such other offices as the Board of Directors may from time to time deem necessary or advisable. The Board of Directors may change the location of any office of the Corporation, including its principal office, as the Board of Directors may from time to time deem necessary or appropriate.

1.03 Registered Office and Registered Agent. The Corporation’s initial registered office and registered agent are set forth in the Certificate of Formation of the Corporation. The Board of Directors may change the registered office, the registered agent, or both as the Board of Directors may from time to time deem necessary or appropriate.

ARTICLE 2. MEMBERS

2.01 Membership and Voting Rights. The membership of the Corporation consists of the record owners of all lots within the residential community known as Peacock Isles, a subdivision in Galveston County, Texas, including any area hereafter created by the dedication or annexation of additional property into the subdivision (collectively, “Subdivision”). Lienholders shall not be considered members. When more than one person is an owner of a lot, all of such persons shall be members and the vote with respect to such lot shall be exercised as the owners of such lot among themselves determine, but in no event shall there be more than one vote with respect to any one lot.

2.02 One Class of Members. The membership of the Corporation shall consist of a single class of members as set forth in the Declaration of Covenants, Conditions and Restrictions for Peacock Isles as filed in the Real Property Records of Galveston County, Texas, including as may be amended or supplemented, (collectively, “Declaration”).

2.03 Voting Rights. The voting rights of the membership are set forth in the Declaration.

2.04 Assessments. The annual assessment and any special assessments shall be assessed in the manner provided in the Declaration, and each member shall pay such assessment in accordance with the schedule set by the Board of Directors therefor.

2.05 Sanction of Members. The Board of Directors may impose reasonable sanctions on a member for good cause after a hearing. Good cause includes the default of an obligation to the Corporation to pay fees or dues for a period of fifteen days following delivery of notice of default, or a material and serious violation of the Certificate of Formation, these By-laws, any rules adopted by the Corporation, or of any law. The Board of Directors may delegate such powers to a regular or ad hoc committee to conduct a hearing, make recommendations to the Board of Directors, or take action on behalf of the Board of Directors. The Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning may not take any action against a member without giving the member adequate notice and an opportunity to be heard. To be deemed adequate, notice shall be in writing, describe the violation or property damage that is the basis for the proceeding, including stating any amount due the Corporation, inform the owner that the owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension (unless the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months), inform the owner that the owner may request a hearing under Tex. Prop. Code § 209.007 or any successor statute on or before the thirtieth day after the date the owner receives the notice, and be sent by certified mail, return receipt requested, at least thirty days prior to the hearing. Shorter notice may be deemed adequate if the Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning determines that the need for an early hearing outweighs the prejudice caused to the member and if a statement of the need for a timely hearing is included in the notice. A member shall have the right to be represented by counsel at and before the hearing. The Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning may impose sanctions by a vote of a majority of directors, or of members of a committee designated by the Board of Directors to handle a matter involving sanctioning, who are present and voting. Sanctioning of a member shall not relieve the member of any obligation to pay any assessment or other charge attributable to the lot(s) owned by such member.

2.06 Transfer of Membership. Membership in the Corporation is mandatory and appurtenant to, and may not be separated from, ownership of the lot in the Subdivision upon which such membership is based. Membership terminates on the earliest of: (1) sale of the lot owned by such member; (2) death of such member; or (3) dissolution of the Corporation.

2.07 Ownership of Corporation Property. All real and personal property, including all improvements located on the real property, acquired by the Corporation shall be owned by the Corporation and held in the name of the Corporation. A member shall have no right, title or interest in or to any property of the Corporation or the right to partition all or any part of the Corporation's property.

ARTICLE 3. MEETINGS OF MEMBERS

3.01 Annual Meeting. Subject to the provisions of the Declaration, beginning at such time as Declarant is no longer an Owner of any Lots in the Subdivision or such earlier time as agreed upon by Declarant, the Board of Directors shall hold an annual meeting of the members in November of each year on the date and at the time specified by the Board of Directors in the notice of meeting therefor. At the annual meeting, the members shall elect directors and transact any other affairs of the Corporation that may properly come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the members promptly thereafter to conduct the election of directors.

3.02 Special Meetings. Special meetings of the members may be called by the president, the Board of Directors, or members holding not less than ten percent of the votes that may be cast at a meeting.

3.03 Place of Meeting. The Board of Directors may designate any place within the State of Texas as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. All meetings called by the president or the members holding not less than ten percent of the votes that may be cast at a meeting, and all meetings called by the Board of Directors if the Board of Directors does not designate the place of such meeting, shall be held at the office of the management company of the Corporation or, if none, at the principal office of the Corporation.

3.04 Notice of Meetings. Written notice of the annual meeting as designated by the Board of Directors and of any special meeting of the members shall be given to each member entitled to vote, addressed to the member's address last appearing on the books of the Corporation, not less than ten and not more than sixty days before the date of the meeting, and may be given personally, by facsimile transmission, email or mail. If the Corporation has more than 1,000 members at the time the special meeting is scheduled, notice may be given by publication in any newspaper of general circulation in the community in which the principal office of the Corporation is located. The notice shall state the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the Corporation, or the other officers or persons calling the meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice.

3.05 Quorum. The presence at a meeting of members holding one-tenth of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at that meeting, and the majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present shall be the act of the members of the Corporation. Thereafter, if enough members leave the meeting so that less than a quorum remains, the remaining members may continue to transact the affairs of the Corporation. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting as many times

as may be necessary without further notice except announcement at the meeting, until a quorum as aforesaid shall be present or represented.

3.06 Actions of Membership. Members may not be disqualified from voting in a Corporation election of directors or on any other matter concerning the rights and responsibilities of the member. Voting shall be by ballot. At no time shall any member be entitled to cumulate his/her/its votes in an election for directors.

3.07 Proxies. A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

3.08 Voting by Mail and by Facsimile. Members may vote by mail, facsimile transmission, electronic mail, electronic ballot or by any combination of thereof on the election of directors and, to the extent allowed by the Code or other applicable law, on any other matter that may be voted on by the members. Notwithstanding the foregoing, the Corporation is not required to provide members with more than one voting method so long as an owner may vote by absentee ballot or by proxy.

ARTICLE 4. BOARD OF DIRECTORS

4.01 Management of the Corporation. The affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors may retain a management company to assist the Board of Directors in fulfilling its functions, all to the extent and in the manner the Board of Directors so determines but without delegating the Board of Directors' - or the individual Board of Directors members' - decision making authority.

4.02 Number, Qualifications and Tenure of Directors. The number of directors shall be five. The number of directors may be changed to a number that is not less than three and not more than five by resolution or amendment of these By-laws. Directors need not be residents of Texas but shall be members, or if a member is not a natural person then a representative of a member, of the Corporation. Each director shall serve for a term of three years. The terms of the directors shall be staggered so that the terms of not more than two directors expire each year. The Declarant (as that term is defined in the Declaration) shall appoint the members of the Board of Directors and designate their terms of office until the first annual meeting of the membership at which the Declarant does not own a Lot in the Subdivision.

4.03 Nomination of Directors. At any meeting at which the election of a director occurs, a member entitled to vote may nominate a person with the second of any other member entitled to vote. In addition to nominations made at meetings, a nominating committee may consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nominating committee, and any report of the committee, with the notice of the meeting at which the election occurs.

4.04 Election of Directors. All members are eligible to run for a position on the Board of Directors, except as otherwise provided for by applicable law or these By-laws. If the Board of Directors is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a director has been convicted of a felony or crime involving moral turpitude, the director is immediately ineligible to serve on the Board of Directors of the Corporation, automatically considered removed from the Board of Directors, and prohibited from future service on the Board of Directors. Directors shall be elected by the vote of the membership of the Corporation at the annual meeting of the members as set forth in paragraph 3.01 above or, in the instance of a vacancy as set forth in paragraph 4.05 below, by the Board of Directors at the annual meeting or a special meeting to be called by the Board of Directors. A directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

4.05 Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors or there is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

4.06 Annual Meeting. The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members without further notice thereof to the directors.

4.07 Regular Meetings. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held anywhere within the State of Texas, and shall be held at the office of the management company for the Corporation or, if none, at the principal office of the Corporation if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board of Directors is required to be given to the directors other than a resolution of the Board of Directors stating the time and place of the meetings.

4.08 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of two directors. A person or persons authorized to call special meetings of the Board of Directors may fix any place within Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give written or printed notice of any special meeting of the Board of Directors to each director not less than three nor more than thirty days before the date of a special meeting. The notice shall state the place, day and time of the meeting and the purpose or purposes for which the meeting is called.

4.09 Notice to Members. Members of the Corporation shall be given notice of the date, hour, place, and general subject of annual, regular or special meetings of the Board of Directors,

including a general description of any matter to be brought up for deliberation in executive session. The notice shall be given in one of the following manners:

(1) Mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting; or

(2) At least 144 hours before the start of a regular board meeting and at least 72 hours before the start of a special board meeting, (A) posted in a conspicuous manner reasonably designed to provide notice to the Members (i) on Corporation property within the subdivision, or, with the property owner's consent, on other conspicuously located privately owned property within the Subdivision, or (b) any internet website available to Members that is maintained by the Corporation or by a management company on behalf of the Corporation; and (B) sent by email to each Member who has registered an email address with the Corporation.

4.10 Quorum. A majority of the number of directors then in office, but in no event less than two, shall constitute a quorum for the transaction of the affairs of the Corporation at any meeting of the Board of Directors. Directors present by proxy shall not be counted toward a quorum. The act of a majority of the directors present in person or by proxy at a duly called or held meeting at which a quorum is present shall be the act of the Board of Directors. Thereafter, if enough directors leave the meeting so that less than a quorum remains, the remaining directors may continue to transact the affairs of the Corporation. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting as many times as may be necessary without further notice except announcement at the meeting, until a quorum as aforesaid shall be present or represented. A director who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the decision of the Board of Directors. No proxy shall be valid after three months from the date of its execution.

4.11 Duties and Powers of Board of Directors. In addition to those powers provided by the Texas Business Organizations Code and other applicable law ("Code"), as well as by the Certificate of Formation, the Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas as defined in the Declaration;

(b) exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation, and not reserved to the membership by other provisions of these By-laws, the Certificate of Formation, the Declaration or applicable law;

(c) declare the office of a director to be vacant in the event such director shall be absent from three consecutive regular meetings of the Board of Directors;

(d) employ managers, independent contractors or such other employees as the Board of Directors deems necessary, and to prescribe their duties;

- (e) cause lots to be maintained as called for in the Declaration; and
- (f) enforce or cause to be enforced all provisions of the Declaration.

The Board of Directors shall have the duty to:

(a) keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting of the members, or at any special meeting of the members when such statement is requested in writing by that number of members sufficient to call a special meeting as provided in paragraph 3.02 above;

(b) supervise all officers, agents and employees of the Corporation, and see that their duties are properly performed;

(c) as more fully provided in the Declaration:

(1) fix the amount of the annual and any special assessment against each lot at least thirty days in advance of each annual assessment period or special assessment date;

(2) send written notice of each assessment to every member subject thereto in advance of each annual assessment period or special assessment date;

(3) collect all assessments owing on each lot, including bringing an action at law against each member personally obligated to pay such assessments and foreclosing the lien against the lot for which such assessments are not paid;

(d) issue, or cause to be issued, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of such certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Corporation as the Board of Directors deems appropriate;

(f) procure and maintain adequate liability insurance for directors and officers of the Corporation as the Board of Directors deems appropriate;

(g) cause all officers and employees having fiscal responsibilities to be bonded as the Board of Directors deems appropriate; and

(h) operate, maintain and otherwise manage the Common Areas as defined in the Declaration, including landscaping thereon.

Each of the foregoing powers and duties may be exercised by the Board of Directors or any person authorized by the Board of Directors.

A director shall discharge the director's powers and duties in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the Corporation and not unlawful. A director shall not be liable to the Corporation, any member, or any other person for any action taken or not taken as a director if the director acted in good faith, with ordinary care and in a manner that the director reasonably believes to be in the best interest of the Corporation. A director may in good faith rely on information, opinions, reports or statements, including financial statements and other financial data, concerning the Corporation or another person or entity that were prepared or presented by (1) one or more of the officers or employees of the Corporation, (2) legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence, and (3) a committee of the Board of Directors of which the director is not a member.

4.12 Removal of Directors. The Board of Directors may vote to remove a director at any time with or without good cause. A meeting to consider the removal of a director may be called and noticed following the procedures provided in these By-laws.

ARTICLE 5. OFFICERS

5.01 Officer Positions. The officers of the Corporation shall be a president, one or more vice presidents, a secretary, and a treasurer, and shall be selected from among the directors of the Corporation. The Board of Directors may, by resolution or amendment to these By-laws, create additional officer positions and define the authority and duties of each such position, and may elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary.

5.02 Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors. If the election of officers is not held at this meeting, the election shall be held promptly thereafter. Each officer shall hold office for a term of one year or until such officer shall sooner resign, be removed or otherwise be disqualified to serve. An officer may be elected to succeed himself or herself in the same office.

5.03 Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without good cause, whenever in the Board of Directors' judgment the best interests of the Corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

5.04 Vacancies. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

5.05 President. The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the affairs of the Corporation. The president shall preside at all meetings of the members and of the Board of Directors. The president may execute any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors have authorized to be executed. However, the president may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, these By-laws or statute. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

5.06 Vice President. When the president is absent, is unable to act, or refuses to act, a vice president shall perform the duties of the president. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president. If there is more than one vice president, the vice presidents shall act in place of the president in the order of the length of time in office. A vice president shall perform other duties as assigned by the president or the Board of Directors.

5.07 Treasurer. The treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies or other depositories as provided in these By-laws or as directed by the Board of Directors or president.
- (d) Write checks and disburse funds to discharge obligations of the Corporation. Funds may not be drawn from the Corporation or its accounts for amounts greater than \$5,000.00 without the signature of the president or a vice president in addition to the signature of the treasurer.
- (e) Maintain the financial books and records of the Corporation.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the president or by the Board of Directors.
- (h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with surety as determined by the Board of Directors.
- (i) Perform all of the duties incident to the office of treasurer.

5.08 Secretary. The secretary shall:

- (a) Give all notices as provided in these By-laws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and the seal of the Corporation.
- (d) Affix the seal of the Corporation to all documents as authorized.
- (e) Keep a register of the mailing address of each member, director, officer and employee of the Corporation.
- (f) Perform duties as assigned by the president or by the Board of Directors.
- (g) Perform all duties incident to the office of secretary.

ARTICLE 6. COMMITTEES

6.01 Establishment of Committees. The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee may consist of any one or more persons, including persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the president its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed upon the Board of Directors or the individual director by these By-laws or other law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Certificate of Formation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Revoke proceedings for the voluntary dissolution of the Corporation.

- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter or repeal these By-laws.
- (h) Elect, appoint or remove a member of a committee or a director or officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in Paragraph 7.04 below.
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (k) Take final action on a matter that requires approval of the members.

ARTICLE 7. ACTIONS OF THE CORPORATION

7.01 Purposes and Powers. The Corporation shall have any and all powers which are necessary or desirable to carry out the purposes and affairs of the Corporation as set forth in the Certificate of Formation or as otherwise granted by applicable law, and to the extent the same are granted to and may be exercised by non-profit corporations under the Code or other law for the purpose of operating as a property owners association.

7.02 Contracts. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

7.03 Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies or other depositories that the Board of Directors selects.

7.04 Potential Conflicts of Interest. The Corporation shall not make any loan to a director or officer of the Corporation. A member, director, officer or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by these By-laws, the Certificate of Formation, and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, director, officer or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a director, officer or committee member of the Corporation without full disclosure of all material facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.