

BY-LAWS

FOR



THE OLD BATTLES VILLAGE PROPERTY OWNER'S ASSOCIATION

ARTICLE I

Definitions

A. Unless the context shall prohibit or otherwise require, each of the following words or terms, whenever used herein with an initial capital letter, shall have the following meaning:

1. Association or Corporation shall mean The Old Battles Village Property Owner's Association, an Alabama non-profit corporation.

2. Board of Directors or Board shall mean the Board of Directors of the Association, which is the governing body of the Association.

3. By-Laws of the Association or the By-Laws shall mean these By-Laws adopted and, from time to time, amended by the Association to govern the administration and operation of the Association.

4. Certificate of Formation shall mean the Certificate of Formation of The Old Battles Village Property Owner's Association, as amended from time to time.

5. Common Area or Common Property shall mean and refer to the areas designated on the Plat of Old Battles Village, Phase One and Common Areas of Private Access Easements, Private Access and Utility Easements or Private Drainage and Utility Easements or any property, building, fixtures, facilities or other personal property now owned or otherwise acquired by the Association by purchase, gift, lease or otherwise devoted to the common use and enjoyment of the Owners of Old Battles Village. .

6. Declarant shall mean the Phoenix Real Estate Fund I, LLC, a Delaware limited liability company, or the successors and assigns of Phoenix Real Estate Fund I, LLC if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

7. Declaration shall mean the Declaration Of Covenants, Conditions and Restrictions for Old Battles Village, Phase One, a Subdivision owned by Phoenix Real Estate Fund I, LLC, a Delaware limited liability company, and recorded on Slide 2312-B, in the Office of the Judge of Probate, Baldwin County, Alabama, as same may be amended, expanded or otherwise modified from time to time.

8. Dwelling Unit shall mean and refer to that portion of any Improved Lot intended for use, or being used, as a single-family residential dwelling.

9. Improved Lot shall mean and refer to a Lot on which is located a building and/or other structure(s) as to which required approvals for use and occupancy have been obtained.

10. Lot shall mean and refer to any improved or unimproved plot, parcel, or portion of land shown upon the Plat or any recorded final subdivision map of Old Battles Village, Phase One, with the exception of the Common Property, and shall include where the context may include, any improvement or fixture located on the Lot.

11. Member or Members shall mean and refer to a Person or entity who holds membership in the Association, as provided by these By-Laws and the Declaration.

12. Organizer shall mean and refer to Phoenix Real Estate Fund I, LLC, a Delaware limited liability company, its successors and assigns

13. Owner shall mean and refer to the holder of record of fee simple title to any Lot. Notwithstanding any applicable legal theory of any mortgagee, "Owner" shall not mean or refer to the mortgagee, mortgagee's heirs, successors or assigns, unless such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee of any Owner, nor shall the term "Owner" mean or refer to any person holding title merely as security for the payment of a debt. In the event there is of record a deed granting one or more parties a life estate in any Lot, the owner of said Lot shall be deemed to be the holder or holders of the life estate, regardless of who owns the remainder interest. Where ownership of a lot is divided, the voting rights with respect to such lot shall be exercised in the manner provided in the Certificate of Formation and these By-Laws.

14. Plat or Subdivision Plat shall mean and refer to the Plat of Old Battles Village, Phase One, as recorded at Slide 2312-B in the records in the Office of the Judge of Probate, Baldwin County, Alabama, as same may be amended, added to or expanded upon as provided in the Declaration. A copy of the Plat is attached hereto as Exhibit A.

15. Public Records shall mean and refer to the records in the Office of the Judge of Probate, Baldwin County, Alabama.

16. Subdivision or Development shall mean Old Battles Village, a subdivision, as shown on the Plat recorded in the Public Records, as such subdivision may be added to or expanded upon, as provided in the Declaration.

17. Unimproved Lot shall mean and refer to any Lot that is not an Improved Lot.

ARTICLE II

Offices and Agent

A. Registered Office and Agent. The Association shall maintain in the State of Alabama a registered office and shall have a registered agent whose business office is identical with such registered office.

B. Other Offices. In addition to its registered office, the Association may have offices at such other place or places, within or without the State of Alabama, as the Board of Directors may from time to time appoint or as the business of the Association may require or make desirable.

ARTICLE III

Powers and Duties of the Association and Board of Directors

A. Powers and Duties of the Association and Board of Directors. The Association, acting through the Board of Directors and officers, shall have such duties and shall exercise such powers as are set forth in the Alabama Nonprofit Corporation Act, the Declaration, the Certificate of Formation, and these By-Laws, together with such other powers as the Association and the Board of Directors may reasonably require in order to perform and discharge all of their duties and responsibilities and to carry out the purposes of the Association.

B. Conflicts and Inconsistencies. If there are any conflicts or inconsistencies among the Alabama Nonprofit Corporation Act, the Declaration, the Certificate of Formation, or these By-Laws, the provisions of the Alabama Nonprofit Corporation Act, as may be applicable and not permissibly superseded, the Declaration, the Certificate of Formation, and these By-Laws, in that order, shall prevail.

ARTICLE IV

Association Membership and Voting Rights

A. **Membership.** Every Owner, including the Organizer shall automatically, and by virtue of such status as an owner, be a member of the Association. Membership shall be automatic and shall be appurtenant to and may not be separated from ownership of any Lot. Transfer of record of the ownership of any Lot shall automatically transfer membership in the Association.

B. **Voting Rights of Members.** Except for the Declarant, no Member shall have any right to vote until the happening of either of the following events, which ever shall first occur:

1. Until the Declarant has completed and sold all of the Lots and any property which may be brought within the jurisdiction of the Association by Subsequent Amendment as provided in this Declaration; or

2. Until the Declarant elects to give up the exclusive right to vote.

During the period of time recited above in Article IV the Declarant shall be the only Person entitled to vote and the Members of the Board of Directors and the Architectural Committee shall be appointed by the Declarant. During the period of time recited above in Article IV, Members of the Association other than the Declarant, shall have no vote in the matters of the Association. Thereafter, each Lot shall be entitled to one (1) vote, which vote is not divisible. The vote shall be cast by the Lot Owner in the manner provided for in these By-Laws and the Declaration.

The Declarant may make such use of Old Battles Village, Phase One, the unsold Lots and of the Common Area and facilities as may facilitate such completion and sale, including, but not limited to, showing of Old Battles Village, Phase One, the Lots and Common Areas and the display of signs.

Only voting Members shall be entitled to cast votes at Association meetings on matters pertaining to the Association, including the election of Members of the Board of Directors, amending these By-Laws, the Certificate of Formation and the Declaration, and all other matters which may be brought before the Association membership except as otherwise provided in these By-Laws and the Declaration. The right of an Owner to vote may be suspended by the Association as provided in the Declaration.

ARTICLE V

Members' Meetings

A. Place of Meetings. Meetings of the Members may be held at any place within Baldwin County, Alabama, as set forth in the notice thereof or in the event of a meeting held pursuant to waiver of notice, as set forth in the waiver, or if no place is so specified, at the registered office of the Association.

B. Annual Meetings. The annual meeting of Members shall be held on the first Wednesday in June of each year, for the purpose of electing directors and transacting any and all business that may properly come before the meeting.

C. Substitute Annual Meeting. If the annual meeting of Members is not held on the day designated Paragraph B directly above, any business, including the election of directors, which might properly have been acted upon at that meeting may be acted upon at any subsequent Members' meeting held pursuant to these By-Laws or held pursuant to a court order requiring a substitute annual meeting.

D. Special Meetings. Special meetings of the Members or a special meeting in lieu of the annual meeting of the Members may be called at any time by the Chairman of the Board of Directors or by a majority of the Members of the Board of Directors. Special meetings of the Members or a special meeting in lieu of the annual meeting may be called by the Association upon the written request of Members holding twenty-five percent (25%) of the total number of votes which may be cast by all of the Members, regardless of class.

E. Notice of Meetings. Notice of each Members' meeting shall be delivered or provided by mail and/or appropriate publication as the Board of Directors (or an authorized committee thereof) may from time to time determine, subject to the minimum requirements under the Alabama Nonprofit-Corporation Act and the Declaration. Notwithstanding the foregoing, the notice of the annual meeting of Members need not state the purpose or purposes of the meeting unless the purpose or purposes constitute a matter which the Alabama Nonprofit Corporation Act or the Certificate of Formation require to be stated in the notice of the meeting. In the case of a special meeting, the notice of meeting shall state the purpose or purposes for which the meeting is called.

F. Quorum. The quorum required for any action which is subject to a vote of the Members at a meeting of the Association shall be as follows:

With respect to any particular proposed action, the presence at the meeting of the Association of Members or proxies, holding or representing fifty-one percent (51%) of the total number of votes which may be cast by all of the Members shall constitute a quorum. If the required quorum is not present at any such meeting, one (1) or more subsequent meetings may be called for the same purpose, subject to ten (10) days written notice of each such subsequent meeting being provided to all Members. The required quorum of members at any such subsequent meeting shall be one-half (½) of the required quorum of members at the next preceding meeting, with the further requirement that at least one member of each class be present or represented by proxy; provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If a quorum is present, a majority of all the votes which may be properly voted by all the members at any meeting shall determine any matter coming before the meeting, other than those matters specifically requiring a different vote, as set forth in these By-Laws, the Declaration, or the Certificate of Formation, and including, but not limited to, the elections of Directors, those matters requiring the approval of two-thirds (2/3) of the votes of the Members. Once a quorum is determined to be present at a meeting, business may continue to be transacted for the purpose for which the meeting was called at that meeting or any adjournment thereof, notwithstanding the withdrawal of enough members to have less than a quorum, so long as at least one member of each class is present at such meeting.

G. Voting Procedures. The Association shall follow the following voting procedures:

1. Voting on all matters, other than Amendments to the Certificate of Formation or the Declaration, dissolution and the election of directors, shall be by show of hands, unless either (i) members holding at least five percent (5%) of the member of votes cumulatively held by all Members, prior to the voting on any matter, demand vote by ballot, or (ii) the Board of Directors determines that voting shall be by ballot. If voting is by ballot, each ballot shall state the name and class of the Member voting and the number of votes such member is entitled to cast. Elections of directors by the Members shall be conducted as described in Paragraph G(2) directly below and Section VI(C) herein.

2. Until the annual members meeting to be held in June of 2011, elections of directors shall be made by the directors named in the Certificate of Formation or their successors. At the annual members' meetings held in June 2011 and thereafter, election of directors shall be held by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. There shall be no cumulative voting.

Notwithstanding the provisions of the above, the Declarant (as defined in the Declaration), its successors and assigns, shall elect the members of the Board of Directors

of the Association and, in the event of vacancies, the Declarant shall fill vacancies, until such time as either (a) until the Declarant has completed and sold all of the Lots and any property which may be brought within the jurisdiction of the Association by Subsequent Amendment as provided in the Declaration, or (b) the Declarant elects to give up its exclusive right to elect the members of the Board of Directors, by written notice to the Association, whichever first occurs.

H. Proxies Allowed. Each Member of the Association entitled to vote may vote in person or by proxy at any meeting of the Association. Each proxy shall be executed in writing by the Member or by the Member's duly authorized attorney-in-fact, shall state the meeting for which such proxy is given and shall be filed with the Secretary of the Association. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date.

I. Ballots By Mail. When authorized by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association, a statement of certain motions to be introduced for a vote of the Members and a ballot on which each Member may vote for or against the motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements set out herein. However, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

J. Fixing of Record Date. For the purpose of determining members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or to make a determination of Members for any other proper purpose, the Board of Directors may fix in advance a date as the Record Date, such date to be not more than fifty (50) days (and, in the case of a Members' meeting, not less than five (5) days) prior to the date on which the particular action, requiring such determination of Members, is to be taken. For purposes of this paragraph, a Member, as of the close of business on the Record Date, shall be deemed a Member of record. Notwithstanding the foregoing, a Member who owes past due assessments or dues of any kind or nature shall not be entitled to notice of and to vote at a Members' meeting, provided that if such Member pays all past due assessments by the time the vote is being taken, such member may vote.

K. Record Date if None Fixed. If no Record Date is fixed as provided in Paragraph J directly above, then the Record Date for any determination of Members which may be proper or required by law shall be the date on which the notice, ballot or consent is mailed, in the case of a Members' meeting, election of directors by mail, or action of the Members by written consent, respectively; and the date on which any other action, the consummation of which requires a determination of Members, is to be taken. For purposes

of this Paragraph K, a Member, as of the close of business on the Record Date, shall be deemed a member of record.

L. Presiding Officer. The Chairman of the Board of Directors, or in his absence, the Vice Chairman of the Board of Directors, shall serve as the chairman of every Members' meeting. The Chairman shall appoint such persons as he deems appropriate to assist with the meeting.

M. Adjournments. When a quorum is once present to organize a meeting, any meeting of the Members may be adjourned with the consent of the holders of a majority of the votes entitled to be cast by all Members present at the meeting, regardless of class, to reconvene at a specific time and place notwithstanding the withdrawal of enough Members to leave less than the required quorum. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted if the time and place of the reconvened meeting are announced at the meeting which was adjourned. At any such reconvened meeting, any business may be transacted which could have been transacted at the meeting which was adjourned, so long as at least one member of each class is present at such reconvened meeting.

N. No Action of Members Without a Meeting. Except as limited by the Alabama Nonprofit Corporation Act, any action required by the Alabama Nonprofit Corporation Act, any action taken at a meeting of the members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all Members entitled to vote with respect to the subject matter thereof. Upon filing with the officer of the Association having custody of its books and records, such consent shall have the same force and effect as a unanimous vote of the Members at a special meeting called for the purpose of considering the action authorized.

ARTICLE VI

The Board of Directors

A. General Powers. All powers of the Association shall be exercised by or under the authority of, and the business and the affairs of the Association shall be managed under the direction of, the Board of Directors, except as provided otherwise in the Alabama Nonprofit Corporation Act. The members of the Board of Directors need not be members of the Association.

B. Number, Term and Qualifications. The number of directors of the Association shall consist of not less than three (3), nor more than seven (7), directors, with the exact number to be fixed from time to time by the members holding a majority of the votes of the Association. The initial Board of Directors shall consist of three (3) directors. Each director shall hold office until the next annual meeting of the members and until his successor shall have been duly elected and shall have qualified or until his death or until he shall have resigned or shall have been removed as provided for herein.

C. Election and Classes. The directors shall be elected according to the procedures adopted pursuant to Article V, Paragraph G(2) above, provided that the initial directors of the Association shall be those persons designated as such in the Certificate of Formation of the Association or as thereafter elected at the organizational meeting of the Board..

D. Secretary's Responsibilities. The Secretary shall have the responsibility of supervising the Association's compliance with the election procedures described in these By-Laws and certifying to the Board of Directors the results such election. In discharging such responsibility, the Secretary shall employ such assistants as the Secretary shall determine, none of whom may be a member of, or candidate for the Board of Directors.

E. Removal. Any individual director may be removed from office upon the vote of members holding two-thirds (2/3) of the votes which may be voted by the Members of the class entitled to elect such director, who are present or represented by proxy at a meeting called for such purpose, a quorum being present.

F. Vacancies. Except with respect to the vacancies created and filled as provided in Paragraphs B and C of this Article, a vacancy occurring in the Board of Directors may be filled for the unexpired term until the Members shall have elected a successor, by the Chairman, subject to the approval of the Board.

G. Compensation. Directors shall not receive any compensation from the Association for their services as directors.

H. Committees of the Board of Directors. The Board of Directors by resolution adopted by a majority of the full Board of Directors may designate from among its members one (1) or more other committees, each consisting of two (2) or more directors. Except as prohibited by law, each committee shall have the authority set forth in the resolution establishing such committee.

ARTICLE VII

Meetings of the Board of Directors

A. **Types of Meetings.** The Board of Directors may hold four types of meetings: regular quarterly meetings, special meetings, executive session meetings, and public hearing meetings.

B. **Regular Meetings.** Regular meetings of the Board of Directors shall be held on the first Wednesday in June of each year and each quarter thereafter, provided that the Board of Directors may adopt other regular meeting times and dates in lieu thereof. All regular meetings shall be open to all members. The date, time and place of each regular meeting shall be published in advance as a reminder to the Members. The Board of Directors may adopt such regulations as it deems appropriate regarding such matters as the publication of notices, the taking and reading of minutes, the order of business, the proper handling of recommendations submitted to the Board of Directors by members, and the allowing of Members who are not Directors an opportunity to speak at the meeting.

C. **Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board of Directors or by any two directors in office at the time. Special meetings shall be convened to consider one (1) issue only, and attendance at special meetings shall be limited to the Directors, the Recording Secretary, and others involved in the issue in question.

D. **Executive Sessions.** The Chairman of the Board of Directors may call for an executive session for such organizational purposes as electing officers of the Board of Directors and the Association, appointing the various committee chairmen, approving the Chairman's selection to fill a vacancy on the Board of Directors and committees, establishing and assigning projects, and establishing special committees. Attendance at an executive session shall be limited to members of the Board of Directors and the Recording Secretary.

E. **Public Hearings.** A public hearing shall be held whenever deemed appropriate by the Board of Directors for such purpose as reporting to the owners regarding a matter of general interest. The date, time, and place of the meeting shall be published in advance, and a public hearing shall be open to all Members.

F. **Place of Meetings.** Directors may hold their meetings at any place within or without the State of Alabama as the Board of Directors may from time to time establish for regular meetings or as set forth in the notice of special meeting.

G. Notice of Meetings. No notice shall be required for any regularly scheduled meeting of the directors of the Association. Unless waived as contemplated in Article VIII, Paragraph B, the Chairman of the Board of Directors or the Secretary of the Association or any director thereof, shall give notice to each director of each special meeting or executive session stating the time, place and purposes of the meeting. Such notice shall be given by mailing a notice of the meeting at least five (5) days before the date of the meeting, or by telephone or by personal delivery at least twenty-four (24) hours before the date of the meeting. Attendance by a director at a meeting shall constitute waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called.

H. Quorum. At meetings of the Board of Directors, the presence of a majority of the directors then serving shall be necessary to constitute a quorum for the transaction of business.

I. Vote Required for Action. Except as otherwise provided in these By-Laws, the Declaration, or by law, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

J. Participation by Conference Telephone. Members of the Board of Directors may participate in a meeting of the Board by means of telephone conference or similar communications through which all persons participating in the meeting can hear each other at the same time. Participation in a meeting pursuant to this Paragraph J shall constitute presence in person at such meeting.

K. Action by Directors Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent thereto shall be signed by all the directors, and if such written consent is filed with the minutes of the proceedings of the Board. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors.

L. Adjournments. If a quorum is present, a meeting of the Board of Directors may be adjourned by the number of directors constituting a quorum to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

ARTICLE VIII

Notice and Waiver

A. Procedure. Whenever these By-Laws require notice to be given to any Member or director, the notice shall be given as prescribed in these By-Laws. Except when these By-Laws expressly provide otherwise, notice shall be given either personally or by first-class mail, or other written communication, charges prepaid, addressed to each Member or director at the address of that Member or director appearing on the books of the Association. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

B. Waiver. Except as limited by the Alabama Nonprofit Corporation Act, whenever any notice is required to be given to any Member or director by law, by the Declaration, by the Certificate of Formation or by these By-Laws, a waiver thereof in writing signed by the Member or director entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent thereto.

ARTICLE IX

Officers

A. Number. The executive officers of the Association shall consist of a Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, a Secretary, and a Treasurer. All officers, except the Recording Secretary shall be members of the Board of Directors. The Board of Directors may from time to time create and establish the duties of such other officers and elect or provide for the appointment of such other officers or assistant officers as it deems necessary for the efficient management of the Association, but the Association shall not be required to have at any time any officers other than a Chairman, Vice-Chairman, Secretary and Treasurer. Any two (2) or more offices may be held by the same person, except the Chairman.

B. Election and Term. All officers shall be elected by the Board of Directors at an executive session to be held within two (2) weeks following the annual Members meeting and shall serve for a term of one (1) year and until their successors have been elected and have qualified or until their earlier death, resignation, removal, retirement or disqualification.

C. Compensation. The executive officers of the Association shall not be compensated by the Association.

D. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

E. Chairman of the Board. The Chairman of the Board of Directors shall:

1. call to order meetings of the Members of the Board of Directors and act as chairman of such meetings;

2. be the chief executive officer of the Association and have general supervision of the business of the Association;

3. see that all orders and resolutions of the Board of Directors are carried into effect;

4. act as an ex-officio member of all committees, except as determined by the Board of Directors;

5. subject to approval of the Board of Directors:

a. appoint a member of the Board of Directors to chair each committee of the Board of Directors;

b. appoint a current or past member of the Board of Directors or the Advisory Council to chair the standing and/or advisory committees;

c. name appointments to fill vacancies on the Board of Directors; and

d. establish special ad hoc committees and appoint the chairmen of such committees; and

6. shall perform such other duties as the Board of Directors may direct from time to time.

To comply with Section 10-3A-41(a) of the Alabama Nonprofit Corporation Act, which requires that a nonprofit corporation have a president, the Chairman of the Board shall also be the President of the Association.

F. Vice Chairman of the Board. The Vice Chairman of the Board shall, in the absence of or disability of the Chairman, or at the direction of the Chairman, perform the duties and exercise the powers of the Chairman. The vice Chairman shall perform whatever duties and have whatever powers the Board of Directors may from time to time assign. To comply with Section 10-3A-41(a) of the Alabama Nonprofit Corporation Act, which requires that a nonprofit corporation have one (1) or more vice presidents, the Vice Chairman of the Board shall also be the Vice President of the Association.

G. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Members, directors and committees of directors. The Secretary shall have authority to give all notices required by law or these By-Laws and shall supervise the election of directors. The Secretary shall be responsible for the custody of the corporate books, records, contracts and other documents. The Secretary shall ensure the accuracy of the minutes of each meeting as prepared by the Recording Secretary and shall be responsible for the reproduction and distribution of the minutes to each member of the Board of Directors prior to the next meeting. As provided in Paragraph B of this Article, the Secretary shall, subject to the approval of the Board of Directors, appoint a person who is not a member of the Board of Directors as the Recording Secretary. The Secretary may affix the corporate seal to any lawfully executed documents requiring it and shall sign such instruments as may require the Secretary's signature. The Secretary shall perform whatever additional duties and have whatever additional powers as the Board of Directors may from time to time assign.

H. Recording Secretary. The Board of Directors may appoint, if it seems necessary, a Recording Secretary who shall be responsible for the actual preparation of minutes of meetings of the Members, the Board of Directors, and committees of the Board of Directors. The Recording Secretary shall be under the general supervision of the Secretary.

I. Treasurer. The Treasurer shall be responsible for the custody of all funds and securities belonging to the Association and for the receipt, deposit or disbursement of such funds and securities under the direction of the Board of Directors. The Treasurer shall cause full and true accounts of all receipts and disbursements to be maintained and shall make such reports of the same to the Board of Directors upon request. The Treasurer shall perform all duties as may be assigned to him from time to time by the Board of Directors.

J. Assistant Secretary and Assistant Treasurer. The Board of Directors may appoint from time to time as it deems necessary or appropriate an Assistant Secretary and/or an Assistant Treasurer, who shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Board of

Directors. Specifically, the Assistant Secretary may affix the corporate seal to all necessary documents and attest the signature of any officer of the Association.

K. Bonds. The Board of Directors may by resolution require any or all of the officers, agents, or employees of the Association to give bonds to the Association at the expense of the Association, with sufficient surety or sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE X

Indemnification

Neither the members or the officers or directors of the Association shall be liable for the debts of the Association. The Association shall indemnify and hold harmless each person who shall serve at any time hereafter as director or officer of the Association or on the Advisory Board from and against any and all claims and liabilities to which such person shall become subject by reason of his or her having been, or hereafter being, director, officer or advisor of the Association, or by reason of any action alleged to have taken or omitted by him or her as director, officer or advisor, and shall reimburse each such person for all legal and other expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her gross negligence or willful misconduct.

ARTICLE XI

Assessments

A. Creation of Lien. Each Owner, by acceptance of a deed conveying ownership of a Lot, is deemed to be subject to the covenants of and agrees to abide by the terms, conditions and requirements of the Declaration, the Certificate of Formation, these By-Laws and the rules and regulations promulgated by the Board pursuant hereto, and assumes the obligation to pay to the Association annual and special assessments as provided for herein. Such assessments shall constitute a lien as provided in the Declaration.

B. Exempt Property. The following property, individuals, partnerships, or corporations subject to these By-Laws shall be exempted from the assessments, charges and liens created herein:

(a) the Organizer and any Lots, whether Improved or Unimproved or otherwise, owned by the Organizer;

(b) the grantee in conveyances made for the purpose of granting utility and drainage easements;

(c) the Common Properties;

(d) property which is used in the maintenance and service of facilities within Common Properties, or by non-profit, governmental or charitable institutions; and

(e) Lots owned by builders and contractors in the Subdivision designated in writing by the Organizer as being exempt, during the calendar year 2011 only.

C. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the owners and residents in the Subdivision in accordance with the purposes and functions set forth in the Declaration and, in particular, for the acquisition, improvement, repair, replacement, maintenance, use and operation of the Common Properties and to pay for the services that the Association is authorized to provide, including, but not limited to, payment of taxes and insurance; repairs, replacement, and additions to the Common Properties; and payment of the cost of labor, employees, agents, accountants, attorneys, equipment, material, management and supervision necessary to carry out its authorized purposes and functions.

D. Determination of Annual Assessments. Pursuant to and subject to the terms and conditions of the Declaration, the Board of Directors of the Association shall fix for each calendar year the annual assessments for the Members to obtain total assessments the Board deems appropriate to fund the budget for the Association. In that regard, the Board of Directors shall determine the terms of payment of such assessments and may provide for monthly, quarterly, or semiannual payment due dates for the annual assessments in lieu of an annual payment date, provided that the owners are given thirty (30) days prior notice of any change.

E. Special Assessments. The Board of Directors may levy special assessments, pursuant to and subject to the terms and conditions of the Declaration and for the purposes of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected maintenance or repair and replacement of the Common Properties and capital improvements thereon, and to repay any loan made to the Association to enable it to perform the duties and functions authorized herein. On a per Lot basis, such special assessments, in any year, may not exceed a sum equal to the amount of the previous two years' assessments, except (1) for

emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss, or (2) with the approval of the holders of a majority of the total number of votes be cast by all the Members, regardless of class, present or represented by proxy at an annual or special Members' meeting called for such purpose, at which a quorum is present.

ARTICLE XII

Rules and Regulations

A. **Rules and Regulations.** The Board of Directors may establish, abolish, or amend reasonable rules and regulations concerning the use of individual Lots and of the Common Properties and facilities located thereon. Such rules and regulations adopted by the Directors may include, without limitation, the fixing of fees or other charges for the use of any and of the recreation facilities in the Common Properties. The text of such rules and regulations amendments thereto shall be furnished by the Association to each owner prior to the effective date thereof. Such rules and regulations shall be binding upon the Owners and their families, guests, tenants and visitors until and unless such rules or regulations are specifically overruled, canceled or modified by the Association.

B. **Enforcement of Rules and Regulations.** Subject to the provisions of Paragraph A directly above, the Board shall have the power, upon any violation of the Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, (1) to impose reasonable monetary fines which shall constitute a lien upon the property of the owner guilty of such violation which shall be enforceable in a like manner to the lien for assessments provided for in the Declaration, (2) to suspend an Owner's right to use facilities within the Common Properties other than the roadways for access, ingress, and egress to such Owner's property, or (3) to suspend an Owner's right to vote in the Association; and the Board of Directors shall have the power to impose all or any combination of these sanctions. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, which additional period shall not exceed thirty (30) calendar days.

ARTICLE XIII

Advisory Committees

A. **Creation.** The Board of Directors shall be authorized to designate certain standing and/or special advisory committees from time to time. The members of such committees may be designated by the Board of Directors or the Chairman of the Directors or may be elected by the Members under procedures adopted by the Board of Directors.

B. Purpose of Books and Records. The advisory committees shall have the purposes designated for them by the Board of Directors. Such advisory committees shall have no power or authority to act for or on behalf of the Association.

C. Vacancies. Any vacancy in any committee because of death, resignation, removal, disqualification or otherwise shall be filled by the Board of Directors for the unexpired portion of the term of such office on such committee.

ARTICLE XIV

Miscellaneous

A. Inspection of Books and Records. The Board of Directors shall have power to determine which accounts, books and records of the Association shall be opened to the inspection of Members, except such as may by law be specifically open to inspection, and shall have power to fix reasonable rules and regulations not in conflict with the applicable law for the inspection of accounts, books and records which by law or by determination of the Board of Directors shall be open to inspection.

B. Fiscal Year. The Board of Directors is authorized to fix the fiscal year of the Association and to change the same from time to time as it deems appropriate.

C. Seal. The Association shall at all times have a corporate seal, the form of which may vary from time to time, provided that each such form shall be an "approved form" as hereinafter defined. The collection of "approved forms" for the corporate seal shall at any time consist of the form of a circle within which are inscribed the words CORPORATE SEAL and any other form or forms previously approved by the Board of Directors. Any person authorized to affix the corporate seal to any document shall be and hereby is authorized to select the corporate seal from among the collection of authorized forms at such time, and the form so selected shall thereupon constitute the corporate seal until an alternative approved form has been selected. Affixation to any document of any approved form so selected by any means whatever (including without limitation hand drawing, imprinting by means of a raised stamp and ink, or producing a raised or depressed image by mechanical means), shall for all purposes constitute affixation thereto of the corporate seal of the association.

D. Parliamentary Procedure. All questions of parliamentary procedure shall be governed by the Certificate of Formation of the Association or by these By-Laws, if applicable. Where not applicable, Robert's Rules of Order - Newly Revised, by Gen. Henry M. Robert, revised by Sarah Corbin Robert, shall govern.

ARTICLE XV

Amendments

Power to Amend By-Laws. Except as provided in Article X, Paragraph H above, the Board of Directors shall have the power to alter, amend or repeal these By-Laws or adopt new By-Laws, except to the extent a change effected in these By-Laws would create a conflict between the terms of these By-Laws, the Certificate of Formation and/or the Declaration, in which event, the concurrence of the members required to consent to amendments to the Certificate of Formation and/or the Declaration shall, if applicable, also be required.

Exhibit A

(Copy of Old Battles Village, Phase One, Plat)

