

**BYLAWS**

**OF**

**PROVIDENCE HOME OWNERS ASSOCIATION, INC.**  
**(a Wisconsin corporation)**

**TABLE OF CONTENTS**

Page

**ARTICLE I. OFFICES .....1**

    1.1 PRINCIPAL AND BUSINESS OFFICES ..... 1

    1.2 REGISTERED OFFICE..... 1

**ARTICLE II. PURPOSE.....1**

**ARTICLE III. MEMBERS .....1**

    3.1 MEMBERS; QUALIFICATIONS ..... 1

    3.2 VOTING RIGHTS ..... 1

    3.3 GENERAL AND SPECIAL CHARGES; PAYMENT OF SAME ..... 1

    3.4 SUSPENSION OF VOTING RIGHTS - GENERAL ..... 2

    3.5 TRANSFERABILITY OF MEMBERSHIP ..... 2

    3.6 TERMINATION OF MEMBERSHIP ..... 2

    3.7 ANNUAL MEETING OF MEMBERS ..... 2

    3.8 SPECIAL MEETINGS OF MEMBERS ..... 2

    3.9 NOTICE OF MEMBERS' MEETINGS ..... 2

    3.10 QUORUM..... 2

    3.11 MANNER OF ACTING ..... 2

    3.12 CONDUCT OF MEETINGS ..... 3

    3.13 UNANIMOUS CONSENT WITHOUT MEETING ..... 3

**ARTICLE IV. BOARD OF DIRECTORS .....3**

    4.1 NUMBER ..... 3

    4.2 TENURE AND QUALIFICATION ..... 3

    4.3 ANNUAL MEETING ..... 3

    4.4 REGULAR MEETINGS ..... 3

    4.5 SPECIAL MEETINGS ..... 3

    4.6 NOTICE; WAIVER ..... 4

    4.7 QUORUM ..... 4

    4.8 MANNER OF ACTING ..... 4

    4.9 CONDUCT OF MEETING..... 4

    4.10 VACANCIES..... 4

    4.11 COMPENSATION ..... 4

    4.12 PRESUMPTION OF ASSENT ..... 5

    4.13 UNANIMOUS CONSENT WITHOUT MEETING ..... 5

    4.14 TELEPHONIC MEETINGS ..... 5

**ARTICLE V. OFFICERS .....5**

    5.1 NUMBER AND QUALIFICATIONS ..... 5

    5.2 ELECTION AND TERM OF OFFICE..... 5

    5.3 RESIGNATION OR REMOVAL ..... 5

    5.4 VACANCIES..... 5

    5.5 PRESIDENT ..... 5

    5.6 VICE PRESIDENT ..... 6

    5.7 SECRETARY ..... 6

    5.8 TREASURER ..... 6

    5.9 ASSISTANTS AND ACTING OFFICERS ..... 6

    5.10 SALARIES ..... 6

<b>ARTICLE VI. INDEMNIFICATION .....</b>	<b>7</b>
6.1 INDEMNIFICATION FOR SUCCESSFUL DEFENSE .....	7
6.2 OTHER INDEMNIFICATION .....	7
6.3 WRITTEN REQUEST .....	7
6.4 NONDUPLICATION .....	7
6.5 DETERMINATION OF RIGHT TO INDEMNIFICATION .....	8
6.6 EXPENSES AS INCURRED .....	9
6.7 NONEXCLUSIVITY .....	9
6.8 COURT-ORDERED INDEMNIFICATION .....	10
6.9 INDEMNIFICATION OF EMPLOYEES OR AGENTS .....	10
6.10 INSURANCE .....	10
6.11 LIBERAL CONSTRUCTION.....	10
<b>ARTICLE VII. CONTRACTS AND FINANCIAL MATTERS .....</b>	<b>10</b>
7.1 CONTRACTS .....	10
7.2 LOANS .....	11
7.3 CHECKS, DRAFTS, ETC .....	11
7.4 DEPOSITS .....	11
7.5 AUDIT.....	11
7.6 BUDGET.....	11
<b>ARTICLE VIII. CORPORATE SEAL.....</b>	<b>11</b>
<b>ARTICLE IX. AMENDMENTS.....</b>	<b>11</b>
9.1 BY MEMBERS .....	11
9.2 BY DIRECTORS.....	11
<b>ARTICLE X. CONSTRUCTION.....</b>	<b>12</b>

## **ARTICLE I. OFFICES**

1.1 Principal and Business Offices. Providence Home Owners Association, Inc. (the "Corporation") may have such principal and other business offices, within Dane County, State of Wisconsin, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

1.2 Registered Office. The registered office of the Corporation required by the Wisconsin Statutes to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the Corporation shall be identical to such registered office.

## **ARTICLE II. PURPOSE**

The purpose of the Corporation corporation is limited to those activities prescribed by the Restrictions and Covenants for the Providence which is recorded with the Dane County Register of Deeds as Document No. 358566 on November 8, 2002, as amended from time to time, and any other activity reasonably ancillary or incidental thereto.

## **ARTICLE III. MEMBERS**

3.1 Members; Qualifications. The members of the Corporation shall be all persons having the power to convey fee simple title or land contract vendee's interest in any of the platted lots numbered 1 to 50, 52 to 88, 90 to 154 and 173 to 176 within the Plat of Providence, located in the City of Sun Prairie, Dane County, Wisconsin (individually, a "Lot"; collectively, the "Lots"). If more than one person holds a fee simple interest or a land contract vendee's interest in a Lot, all persons holding such interest shall be members of the Corporation.

3.2 Voting Rights. Members shall be entitled to one (1) vote per Lot owned on any matter submitted to a vote of the members. If a Lot is owned by two (2) or more Members (the "Owning Members"), then the vote to be exercised for the Lot shall be exercised as the Owning Members, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot.

3.3 General and Special Charges; Payment of Same. General and special charges, if any, shall be levied against the members in accordance with the Declaration of Covenants and Restrictions for Plat of Providence Subdivision (the "Declaration"), which is recorded with the Dane County Register of Deeds as Document No. 358566 on November 8, 2002, and which may be amended from time to time. General and special charges shall be established and collected in the manner provided for in the Declaration. Any member who is delinquent in paying such charges to

the Corporation shall be subject to suspension of voting rights until such time as the delinquent charges are paid.

3.4 Suspension of Voting Rights - General. A member's voting rights may be suspended by the vote of two-thirds of the Board of Directors if such member is in violation of any term or condition of the Declaration. The Board of Directors shall have the authority to establish policies and procedures relating to the suspension of memberships and the reinstatement of suspended memberships.

3.5 Transferability of Membership. As set forth in the Declaration, membership in the Corporation is appurtenant to and shall not be separated from ownership of any Lot.

3.6 Termination of Membership. Membership shall be terminated only upon (i) death of a member, or (ii) conveyance by a member of fee simple title or land contract vendee's interest in such member's Lot.

3.7 Annual Meeting of Members. An annual meeting of the members shall be held within 30 days after the preparation of the year-end financial statements as prepared by the Corporation's accountant. The meeting shall be at a date and time determined by the Board of Directors and shall be for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

3.8 Special Meetings of Members. Special meetings of the members may be called by the President, the Board of Directors, or by members having one-tenth of the votes entitled to be cast at such meeting.

3.9 Notice of Members' Meetings. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be communicated or sent not less than 10 nor more than 50 days before the date of the meeting, unless a different time is provided in Chapter 181 of the Wisconsin Statutes, the Articles of Incorporation or these Bylaws. The notice shall be delivered either personally or by mail, by or at the direction of the President, the Secretary, or other Officer, or person calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Corporation, with postage thereon prepaid. Notice may also be given by publishing a class 2 notice, under Chapter 985 of the Wisconsin Statutes, in any newspaper in general circulation in Sun Prairie, Wisconsin.

3.10 Quorum. Members holding one-half of the votes entitled to be cast, either present in person or represented by proxy, shall constitute a quorum at a meeting of members.

3.11 Manner of Acting. The act of a majority of the votes entitled to be cast by members present in person or represented by proxy at a meeting at which a quorum is present shall be the act

of the members, unless a greater proportion is required by the Articles of Incorporation, Chapter 181 of the Wisconsin Statutes, or these Bylaws.

3.12 Conduct of Meetings. The President or, in his or her absence, any member chosen by a majority of the members present, shall call meetings of the members to order and shall act as the Chairperson of such meetings. The Chairperson may appoint any member to act as Secretary of the meeting.

3.13 Unanimous Consent Without Meeting. Any action required or permitted by the Articles of Incorporation, these Bylaws, or any provision of law to be taken by the Members at a meeting or by resolution may be taken without a meeting if a consent in writing setting forth the actions so taken shall be signed by all the members.

#### **ARTICLE IV. BOARD OF DIRECTORS**

4.1 Number. The business and affairs of the Corporation shall be governed by a Board of Directors consisting of three (3) persons. These Bylaws may be amended to enlarge or reduce the number of directors except that the number of directors shall not be reduced to less than three (3). The Corporation shall have three (3) initial directors.

4.2 Tenure and Qualification. Each director shall hold office until the next annual meeting of members and until his or her successor shall have been elected, or until his or her prior death, resignation or removal. A director may be removed from office for cause by the members if, at a meeting of members called for that purpose, the number of votes cast to remove the director exceeds the number of votes cast not to remove him or her. A director may resign at any time by filing his or her written resignation with the Secretary of the Corporation.

4.3 Annual Meeting. The annual meeting of the Board of Directors shall be held without other notice than this bylaw immediately after the annual meeting of members. Such meeting shall be for the purpose of electing officers and to conduct such other business as may come before the meeting.

4.4 Regular Meetings. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings without other notice than such resolution.

4.5 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President, Vice President or any two directors. The President, Vice President or any two directors calling any special meeting of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors, and if no other place is fixed the place of meeting shall be the principal business office of the Corporation in Dane County, Wisconsin.

4.6 Notice; Waiver. Notice of annual and special meetings of the Board of Directors shall be given by telephone or by written notice delivered personally or by mail or telegram to each director at his/her business address or at such other address as such director shall have designated in writing filed with the Secretary. Notice in the case of telephone, personal delivery or telegram shall be given not less than forty-eight (48) hours prior to the time of the meeting. If mailed, such notice shall be delivered at least ninety-six (96) hours prior to the meeting and shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Whenever any notice whatever is required to be given to any director of the Corporation under the Articles of Incorporation or Bylaws or any provision of law, a waiver thereof in writing, signed at anytime, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of such notice of such meeting, except where a director attends because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. No notice need be given for a regular meeting when the time and place of such regular meeting has been fixed by a duly adopted resolution of the Board of Directors.

4.7 Quorum. Except as otherwise provided by law, by the Articles of Incorporation or these Bylaws, a majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. A majority of directors present (though less than a quorum) may adjourn the meeting from time to time without further notice.

4.8 Manner of Acting. 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, unless the act of a greater number is required by law or by the Articles of Incorporation or these Bylaws.

4.9 Conduct of Meeting. The President and in the President's absence, any director chosen by the directors present shall call meetings of the Board of Directors to order and shall act as the Chairperson of such meetings. The Chairperson may appoint any director or other person to act as Secretary of the meeting.

4.10 Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, shall be filled until the next succeeding annual election of directors by the affirmative vote of a majority of the directors in office, although less than a quorum.

4.11 Compensation. The Board of Directors, by affirmative vote of a majority of the directors in office, and irrespective of any personal interest of any of the directors, shall have authority to establish reasonable compensation of all directors for services to the Corporation as directors, officers or otherwise.

4.12 Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

4.13 Unanimous Consent Without Meeting. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if a consent in writing setting forth the actions so taken, shall be signed by all the directors then in office.

4.14 Telephonic Meetings. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board of Directors at a meeting may be taken through the use of any means of communication by which (a) all participating directors may simultaneously hear each other during the meeting, or (b) all communication during the meeting is immediately transmitted to each participating director and each participating director is able to immediately send messages to all other participating directors.

## **ARTICLE V. OFFICERS**

5.1 Number and Qualifications. The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Treasurer and such other officers as determined by the Board of Directors. Any two or more offices may be held by the same person, except for the offices of President and Secretary, or President and Vice President.

5.2 Election and Term of Office. The initial officers of the Corporation shall be elected by a majority vote of the Board of Directors contemporaneously with the adoption of these Bylaws or as soon thereafter as practicable. Successor officers shall be elected by a majority vote of the Board of Directors at each annual meeting of the Board of Directors. Officers shall hold office until their successors are duly elected and qualified. An officer may serve consecutive terms in the same office.

5.3 Resignation or Removal. Any officer may resign at any time by filing a written resignation with the Secretary of the Corporation. Officers may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

5.4 Vacancies. A vacancy in any office, by resignation or for any other reason, shall be filled by the Board of Directors for the unexpired portion of the term.

5.5 President. The President shall be the chief executive officer of the Corporation and shall perform all business and duties customarily pertaining to the office of President and such other

duties as he or she may be directed to perform by resolution or majority vote of the Board of Directors. The President shall sign and/or countersign all bank checks or orders (or delegate the signing of such documents to subordinates under his or her direction and control), and shall execute, in the name of the Corporation, other significant documents and papers concerning the business of the Corporation.

5.6 Vice President. In the absence of the President or in the event of his or her death, inability or refusal to act, or in the event for any reason it shall be impracticable for him or her to act personally, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors. The execution of any instrument of the Corporation by the Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

5.7 Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors in books provided for that purpose, and shall keep such other books and papers as the Board of Directors may direct. The Secretary shall attend to the giving and serving of notices of all meetings of the Board of Directors and otherwise. When required, the Secretary shall execute with the President, in the name and on behalf of the Corporation, all contracts and instruments which have been first approved by the Board of Directors. The Secretary shall perform such additional duties connected with the operation of the Corporation customarily pertaining to the office of Secretary and as directed by the President or the Board of Directors.

5.8 Treasurer. The Treasurer shall receive and deposit all funds of the Corporation in the depository institution or institutions selected by the Board of Directors, which funds shall be withdrawn only by checks or orders executed in the name of the Corporation by the Treasurer and President (or subordinates under their direction and control). The Treasurer shall also account for all receipts, disbursements and balance on hand and report regarding the same when and as requested by the President or Board of Directors. The Treasurer shall perform such additional duties connected with the operation of the Corporation customarily pertaining to the office of Treasurer and as directed by the President or the Board of Directors.

5.9 Assistants and Acting Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any officer, or as agent for the Corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors shall have the power to perform all the duties of the office to which he or she is so appointed to be assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

5.10 Salaries. No salaries shall be paid to any of the Principal Officers.

## ARTICLE VI. INDEMNIFICATION

6.1 Indemnification for Successful Defense. Within 20 days after receipt of a written request pursuant to Section 6.3, the Corporation shall indemnify a director or officer, to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the director or officer was a party because he or she is a director or officer of the Corporation.

6.2 Other Indemnification.

(a) In cases not included under Section 6.1, the Corporation shall indemnify a director or officer against all liabilities and expenses incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is a director or officer of the Corporation, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

(1) A willful failure to deal fairly with the Corporation in connection with a matter in which the director or officer has a material conflict of interest.

(2) A violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or conduct was unlawful.

(3) A transaction from which the director or officer derived an improper personal profit.

(4) Willful misconduct.

(b) Determination of whether indemnification is required under this Section shall be made pursuant to Section 6.5.

(c) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the director or officer is not required under this Section.

6.3 Written Request. A director or officer who seeks indemnification under Section 6.1 or 6.2 shall make a written request to the Corporation.

6.4 Nonduplication. The Corporation shall not indemnify a director or officer under Sections 6.1 or 6.2 if the director or officer has previously received indemnification or allowance of expenses from any person, including the Corporation, in connection with the same proceedings. However, the director or officer shall have no duty to look to any other person for indemnification.

6.5 Determination of Right to Indemnification.

(a) Unless otherwise provided by the Articles of Incorporation or by written agreement between the director or officer and the Corporation, any director or officer seeking indemnification under Section 6.2 shall select one of the following means for determining his or her right to indemnification:

(1) By a majority vote of a quorum of the Board of Directors consisting of directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two or more directors who are not at the time parties to the same or related proceedings. Directors who are parties to the same or related proceedings may participate in the designation of members of the committee.

(2) By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in sub. (1) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings.

(3) By a panel of three arbitrators consisting of one arbitrator selected by those directors entitled under sub. (2) to select independent legal counsel, one arbitrator selected by the director or officer seeking indemnification and one arbitrator selected by the two arbitrators previously selected.

(4) By an affirmative vote of the members at a meeting of the members in which a quorum is present.

(5) By a court under Section 6.8.

(6) By any other method provided for in any additional right to indemnification permitted under Section 6.7.

(b) In any determination under sub. (a), the burden of proof shall be on the Corporation to prove by clear and convincing evidence that indemnification under Section 6.2 should not be allowed.

(c) A written determination as to a director's or officer's right to indemnification under Section 6.2 shall be submitted to both the Corporation and the director or officer within 60 days of the selection made under sub. (a).

(d) If it is determined that indemnification is required under Section 6.2, the Corporation shall pay all liabilities and expenses not prohibited by Section 6.4 within 10 days after

receipt of the written determination under sub. (c). The Corporation shall also pay all expenses incurred by the director or officer in the determination process under sub. (a).

6.6 Expenses as Incurred. Within 10 days after receipt of a written request by a director or officer who is a party to a proceeding, the Corporation shall pay or reimburse his or her reasonable expenses as incurred if the director or officer provides the Corporation with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation.

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance to the extent that it is ultimately determined under Section 6.5 that indemnification under Section 6.2 is not required and that indemnification is not ordered by a court. The undertaking under this subsection shall be an unlimited, general obligation of the director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

6.7 Nonexclusivity.

(a) Except as provided in sub. (b), Sections 6.1, 6.2 and 6.6 do not preclude any additional right to indemnification or allowance of expenses that a director or officer may have under any of the following:

(1) The Articles of Incorporation;

(2) A written agreement between the director or officer and the Corporation;

(3) A resolution of the Board of Directors; and

(4) A resolution of the members of the Corporation.

(b) Regardless of the existence of an additional right under (a), the Corporation shall not indemnify a director or officer, or permit a director or officer to retain any allowance of expenses, unless it is determined by or on behalf of the Corporation that the director or officer did not breach or fail to perform a duty he or she owes to the Corporation which constitutes conduct under Section 6.2(a)(1), (2), (3) or (4). A director or officer who is a party to the same or related proceedings for which indemnification or an allowance of expenses is sought may not participate in a determination under this subsection.

(c) Sections 6.1 to 6.11 do not affect the Corporation's power to pay or reimburse expenses incurred by a director or officer in any of the following circumstances:

(1) As a witness in a proceeding to which he or she is not a party.

(2) As a plaintiff or petitioner in a proceeding because he or she is or was an employee, agent, director or officer of the Corporation.

6.8 Court-Ordered Indemnification.

(a) Except as provided otherwise by written agreement between the director or officer and the Corporation, a director or officer who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application may be made for an initial determination by the court under Section 6.5(a)(5) or for review by the court of an adverse determination under Section 6.5(a)(1), (2), (3) or (5).

6.9 Indemnification of Employees or Agents. The Corporation may indemnify and allow reasonable expenses of an employee or agent who is not a director or officer to the extent provided by the Articles of Incorporation or Bylaws by general or specific action of the Board of Directors or by contract.

6.10 Insurance. The Corporation may purchase and maintain insurance on behalf of an individual who is an employee, agent, director or officer of the Corporation against liability asserted against or incurred by the individual in his or her capacity as an employee, agent, director or officer, or arising from his or her status as an employee agent, director or officer, regardless of whether the Corporation is required or authorized to indemnify or allow expenses to the individual against the same liability under Sections 6.1, 6.2, 6.5, 6.7 and 6.9.

6.11 Liberal Construction. In order for the Corporation to obtain and retain qualified directors and officers, the foregoing provisions shall be liberally administered in order to afford maximum indemnification of directors and officers and, accordingly, the indemnification above provided for shall be granted in all cases unless to do so would clearly contravene applicable law, controlling precedent or public policy.

## **ARTICLE VII. CONTRACTS AND FINANCIAL MATTERS**

7.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. No contract or other transaction between the Corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors or officers are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies the contract or transaction, if (1) the fact of such relationship or interest is disclosed or known to the Board of Directors which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without

counting the votes or consents of such interested Directors; or (2) the fact of such relationship or interest is disclosed or known to the members, which authorize, approve or ratify such contract or transaction; or (3) the contract or transaction is fair and reasonable to the Corporation. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes, approves or ratifies such contract or transactions, but such interested directors shall abstain from any vote to authorize, approve or ratify such contract or transaction.

7.2 Loans. No indebtedness for borrowed money shall be contracted on behalf of the Corporation and no evidence of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

7.3 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by any officer of the Corporation or an agent of the Corporation duly appointed for the purpose.

7.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

7.5 Audit. The Board of Directors shall cause to be conducted, no less frequently than annually, an audit of the Corporation's books and records. The Board of Directors shall select the auditors.

7.6 Budget. The Board of Directors shall cause to be prepared for the Board's approval, prior to the start of each fiscal year of the Corporation, an annual budget for the Corporation.

## **ARTICLE VIII. CORPORATE SEAL**

The Corporation shall not have a corporate seal.

## **ARTICLE IX. AMENDMENTS**

9.1 By Members. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the members if such amendment or other change in the Bylaws is adopted by affirmative vote of not less than three-fourths (3/4) of the votes of all members present or represented at an annual or special meeting of the members at which a quorum is in attendance.

9.2 By Directors. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors if such amendment or other change in the Bylaws is adopted by affirmative vote of a majority of the number of Directors present at or participating in

any meeting at which a quorum is in attendance. Notwithstanding the foregoing, no Bylaw adopted by the members shall be amended or repealed by the Board of Directors unless the members confer such authority on the Board.

#### **ARTICLE X. CONSTRUCTION**

Should any provision of these Bylaws conflict with any provision of the Declaration, the Declaration shall prevail.

E:\xf\client\77074\0002\SSS3969.DOC 8/2/2007 1:57 PM