

BY-LAWS
OF
THE TRAILS AT BRITTANY HOMEOWNERS ASSOCIATION

ARTICLE I
OFFICES

Section 1: The corporation shall continuously maintain in the State of Illinois a registered office and a registered agent, whose business office is identical with such registered office and may have other offices within or without the State. Annual registration and fees are required with the State of Illinois.

ARTICLE II
CORPORATE PURPOSE

The purpose of the Trails at Brittany Homeowners Association shall be the administration and operation of property owned by the Trails at Brittany Homeowners Association, including the management and control of the common areas as designated on the various plats of the subdivision, as well as maintenance of said common areas, lakes, and entrance gates. The Trails at Brittany Homeowners Association has the authority to enforce the covenants of the Trails at Brittany Subdivisions and to levy assessments for the maintenance of the common areas and other association expenses, including utilities for the entrance gates and other purposes.

ARTICLE III
MEMBERSHIP

Section 1: The corporation shall have one class of members.

Section 2: Qualifications. Members shall be persons owning, or representatives of entities owning, lots located in the Trails at Brittany subdivision and future additions to Trails at Brittany subdivision. In the case of any lot owned by co-owners or an entity, the owners of such lot shall designate one person to represent the owners in Association matters, but the obligations of membership shall fall on the entity or co-owners jointly and severally.

Section 3: Rights of Members. A member shall have no vested right, interest, or privilege of, in, or to the assets, functions, affairs, or franchises of the corporation, or any right, interest or privilege which may be transferable or inheritable, or which shall continue after his/her membership ceases, or while she/he is not in good standing.

Section 4: Termination of Membership. The Board of Directors, by affirmative vote of two-thirds of all of the members of the Board, may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of

assessments for the period fixed in Article XI of these by-laws. Such termination shall not relieve the member so terminated of the obligation to pay any assessments or other charges theretofore accrued or subsequently accruing and unpaid.

Section 5: Resignation. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any assessments or other charges theretofore accrued or subsequently accruing and unpaid.

Section 6: Reinstatement. Upon written request signed by a former member and filed with the Secretary, the Board of Directors may by the affirmative vote of two-thirds of the members of the Board reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

Section 7. Transfer of Membership. Membership in this Corporation is not transferable or assignable.

Section 8. No Membership Certificates. No membership certificates of the Corporation shall be required.

Section 9: Dues. Every member shall be required to pay an annual assessment, the amount and method of payment of which shall be determined by the Board of Directors and may be changed from year to year by the Board of Directors.

ARTICLE IV **MEETINGS OF MEMBERS**

Section 1: Annual Meetings. There shall be an annual meeting of the members of the corporation at such place as may be designated during the month of January of each year for the election of Directors and for the transaction of such business as may come before the meeting. The Board shall cause notice of the place of the meeting to be sent by email and/or mail to the last known address of all members at least ten days prior to the meeting. However, failure to give notice shall not invalidate any act taken by the Association membership at the annual meeting. The Board Secretary and/or Communications Director will make every effort to keep member contact information up-to-date.

Section 2: Special Meetings. Special meetings of the members shall be held whenever called by the Board of Directors or by the holders of twenty-five percent (25%) of the members having voting rights. Notice of each special meeting, stating the time, place and in general terms the purpose or purposes thereof, shall be sent by email and/or mail to the last known address of all members at least ten days prior to the meeting.

Section 3: Notice of Meetings. Written notice stating the date, place and hour of any meeting of members shall be delivered to each member entitled to a vote at such meeting. In the case of a special meeting or when required by statute or by these By-Laws, the purpose for which this meeting is called shall be stated in the Notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States Mail addressed to the member at his/her address as it appears on the records of the corporation with postage thereon prepaid. If emailed, the notice of a meeting shall be deemed delivered when sent and not returned as "Undeliverable".

When a meeting is adjourned to another time or place, written notice need not be given of the adjourned meeting so long as the time and place thereof are announced at the meeting at which the adjournment was taken.

Section 4: Voting. In the event that a lot is held by two or more persons, then such persons shall collectively constitute one member. Said persons may vote their membership for such lot only by their mutual agreement. In the event that said mutual agreement between such persons is not reached, said person shall not be entitled to vote on such matters submitted to a vote of membership. The assertion of any one of such persons as to their mutual agreement, shall be binding on the corporation and its members. One vote per lot is allowed.

Section 5: Informal Action by Members. Any action mandated for a meeting of the corporation's members, or any action permissible at such a meeting, may be executed without convening a meeting. This can be accomplished through a written consent, signed by all members eligible to vote on the relevant matter, detailing the action taken. An electronic vote and electronic documentation are acceptable for this purpose. The consent shall be evidenced by one or more written or electronic approvals which should be collected by the Secretary and filed in the corporate records.

Section 6: Quorum. At any meeting of the members a quorum shall consist of members owning not less than 20% of the lots in the Trails at Brittany Subdivision. A majority in amount of such quorum shall decide any question that may come before the meeting unless the act of a greater number is required by statute, these By-Laws, or the Articles of Incorporation. $169 \times 20\% = 34$ must be present to vote, have a Proxy, or have submitted a signed Proxy form. A majority of the quorum = 17 votes.

Section 7: Proxies: Each member entitled to vote at a meeting of members or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him/her by proxy delivered to any Board member, but no such proxy shall be voted or acted upon after eleven months from its date, unless the proxy provided for a longer period.

Section 8: Inspectors. At any members' meeting, the chair has the authority to appoint one or more inspectors, and upon a member's request, must do so. These inspectors are responsible for determining the validity and impact of proxies, tallying votes, and reporting the results. They are also tasked with conducting the election and voting process impartially.

Each inspector's report must be in writing and signed individually or collectively by a majority if there is more than one inspector. In case of multiple inspectors, the majority's report is considered the official report. The inspector(s)' report on the number of votes and voting results serves as prima facie evidence.

Section 9: Voting by Ballot: Voting on any question or in any election may be by voice unless the chair of the meeting shall order or any member shall demand that voting be by written ballot.

ARTICLE V
BOARD OF DIRECTORS

Section 1: Number of Members. The business and affairs of this corporation shall be managed by a Board of Directors, which shall consist of not less than three (3) and no more than eleven (11) or as otherwise fixed by the Board.

Section 2: Regular Meetings. The Board may provide by resolution a time and place for the holding of regular meetings of the Board without notice of said resolution. The first regular meeting shall be immediately following the annual meeting at which time the Board shall elect officers as specified in Article IV of these By-Laws and conduct such other business that should come before said meeting.

Section 3: Special Meetings. Special Meetings of the Board of Directors may be called by the President or by two members of the Board for any time and place, provided reasonable notice of such meetings shall be given to each member of the Board before the time appointed for such meetings.

Section 4: Quorum. The Directors shall act only as a Board, and the individual Directors shall have no power as such. A majority of the Directors shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of any regular or special meeting although less than a quorum, may adjourn the same from time to time without notice until a quorum be at hand. The act of a majority of Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise provided by law.

Section 5: Order of Business. The Board of Directors may from time to time determine the order of business at its meeting.

Section 6: Chairman. At all meetings of the Board of Directors the President, or in the absence of the President, the Vice-President, or in the absence of both the President and the Vice-President, the Secretary, or in the absence of the President, Vice-President and Secretary, the Treasurer, or in the absence of the President, Vice-President, Secretary and Treasurer, a chairman chosen by the Directors present, shall preside.

Section 7: Terms of Members of the Board. The first Board of Directors named in the Articles of Incorporation of the corporation shall serve for two (2) years. Thereafter, they shall be elected by the members of the corporation at each annual meeting, staggered among the Directors. Annual elections for 3 directors in odd years and 2 directors in even years. All Board members shall be a lot owner and over the age of 21 years. There are no restrictions on the re-election of Board members who are willing to serve an additional term(s).

Section 8: Annual Report. The Board of Directors, after the close of the fiscal year, shall submit to the members a report on the activities of the corporation and shall submit an account of the financial transactions of the past year. This may be done at the Annual members meeting.

Section 9: Vacancies in Board. Whenever a vacancy in the membership of the Board shall occur, the remaining members of the Board shall have the power, by a majority vote, to select a member of the corporation to serve the unexpired term to the vacancy.

Section 10: Compensation. Directors shall not be entitled to fixed salaries for their services. However, a Director may render services to the corporation in other capacities and receive reasonable compensation for such services.

ARTICLE VI **OFFICERS**

Section 1: Executive Officers. The Executive Officers of the corporation shall be a President, a Vice President, a Secretary, a Treasurer, and a Communications Director. The officers shall be elected annually by the Board of Directors following the annual meeting. They shall take office immediately after election. Vacancies may be filled at any meeting of the Board of Directors. Each officer shall hold office for their two-year term or until a successor has been duly elected and has qualified or until his/her death, until he/she shall resign, or until she/he has been removed in a manner hereinafter provided. Election of an officer shall not of itself create contract rights.

Sub-section 2: Rules for Election. Elected annually on a rotating basis by the Board of Directors following the annual meeting.

Sub-section 3: Rules for Resignation. Any officer resigning their position shall submit in writing to the Secretary their intention to resign and the effective date at least 10 days prior to the resignation. Their resignation letter shall include their intentions to leave the Board and/or leave the officer position they currently hold. An officer may request to be a Board member but not hold an officer position. A majority of the Board of Directors shall vote to accept or decline this request.

Sub-section 4: Rules for Vacancies (see Article V, Section 9)

Sub-section 5: Rules for Removal (see Article VI, Section 9)

Section 2: The President. The President shall be the principal executive officer of the corporation. Subject to the direction and control of the Board of Directors, s/he shall be in charge of the business and affairs of the corporation; s/he shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Directors; and, in general, s/he shall discharge all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors. S/He shall preside at all meetings of the Board of Directors, except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the Board of Directors or these by-laws. S/He may execute for the corporation any contract, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed. S/He may vote all securities, which the corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the corporation by the Board of Directors.

Section 3: The Vice President: The Vice President shall assist the president in the discharge of duties as the president may direct and shall perform such other duties as from time to time may

be assigned to by the president or by the Board of Directors. In the absence of the president or in the event of his/her inability or refusal to act, 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. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the Board of Directors or these By-laws, the Vice President may execute for the corporation any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, and may accomplish such execution individually or with the Secretary or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

Section 4: The Secretary. The Secretary shall record the minutes of the meetings of the members and of the Board of Directors. She/he, in coordination with the Communications Director, see that all notices are duly given in accordance with the provisions of these By-laws or as required by law. The secretary will be custodian of the corporation records. The Secretary in coordination with the Communications Director will keep a register of the Email and post office addresses of each member which shall be the responsibility of the member to furnish to the Secretary and/or Communications Director; and perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 5: The Treasurer. The Treasurer shall be the principal accounting and financial officer of the corporation. S/He shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the corporation; (b) have charge and custody of all funds and securities of the corporation, and be responsible therefor, and for the receipt and disbursement thereof; and (c) work with the chosen Accounting firm to maintain Profit & Loss spreadsheets, Dues Collection, Tax preparation, etc. and (d) perform all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 6: The Communications Director. The Communications Director shall be the principal officer responsible for member communications to include the HOA website, HOA Newsletters, HOA email and mail correspondence to members, and other instruments of notification or correspondence. The Communications Director shall also, in conjunction with the Secretary maintain an accurate and up to date roster of HOA members to include Names, Addresses, Emails, Phone numbers, Lot #s, etc.

Section 7: Compensation. Officers shall not receive any stated salaries for their services, provided that nothing herein contained shall be construed to preclude any Officer from serving the corporation in any other capacity and receiving reasonable compensation thereof.

Section 8.: Subordinate Officers. The President, with the approval of the Board of Directors, may appoint such other officers and agents as the Board may deem necessary, who shall hold office during the pleasure of the Board, and who shall have such authority and perform such duties as from time to time may be prescribed by the President or by the Board.

Section 9: Removal. Any officer elected or appointed by the Board of Directors may be removed by a majority of the Board of Directors whenever in its judgment the best interest of

the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

ARTICLE VII
COMMITTEES

Section 1: Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of at least one Director. Which committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the Board of Directors in the management of the corporation within the designated tasks; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law.

Section 2: Other Committees. Other committees not having and exercising the authority of the Board of Directors in the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the president of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interest of the corporation shall be served by such removal.

Section 3: Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4: Chairperson. One member of each committee shall be appointed chairperson and have the responsibility to report to the Board of Directors as required. The Chair will keep the Board informed of discussions and decisions and bring resolutions and recommendations to the Board meetings for further action.

Section 5: Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6: Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7: Rules. Each committee may adopt rules for its own governance not inconsistent with these by-laws or with rules adopted by the Board of Directors.

ARTICLE VIII
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1: Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 2: Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by two officers of the corporation.

Section 3: Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, corporation companies or other depositories as the Board of Directors may select.

Section 4: Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or, devise for the general purpose or for any special purpose of the corporation.

ARTICLE IX
BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the principal office (typically a Board Officer residence) a record giving the names and addresses and emails of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his/her agent or attorney for the proper purpose at any reasonable time.

The Board is authorized to conduct meetings remotely through an internet appliance (e.g., Zoom, Microsoft Teams, etc.) and to authorize committees to do likewise. The Board may conduct business remotely (e.g., Email to lot owners, Survey Monkey, Drop Box, DocuSign, etc.) Or conduct elections remotely (e.g., electionbuddy.com). Notice of meetings and business done remotely can be given with a blanket email to lot owners or by posting notices on the Internet website maintained or utilized by the Board.

ARTICLE X
FISCAL YEAR

The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI
LOSS OF PROPERTY

Section 1: The Board of Directors shall not be liable or responsible for the destruction or the loss of or damage to the property of any member or the guest of any member, or visitor, or other person.

ARTICLE XII
DUES ASSESSMENTS

Section 1: The Board of Directors shall have the right and power to subject the property of the members situated in the Trails at Brittany to an annual dues assessment, subject to the covenants and restrictions of the subdivision and under the following terms:

(a) Each year on or before December 1st, the Board of Directors for the Association shall estimate the total amount necessary to pay the cost of wages, material, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall on or before December 15th notify each owner in writing as to the amount of such estimate, if there has been a change from the previous year. Said "estimated cash requirement" shall be assessed pro rata among the owners of the property of the subdivision based on the lot (s) locations. This assessment will be 1/3, 2/3 or 3/3 assessment value. On or before January 31st of the ensuing year, each owner shall be obligated to pay to the HOA the required dues.

(b) On or before the date of the annual meeting of each calendar year, the Board shall supply to all members an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves.

(c) The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate, which may become necessary during the year shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any owner's assessment, the Board may at any time levy a further assessment, which shall be assessed to the owners of the subdivision, pro rata.

(d) The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the property, specifying and itemizing the maintenance and repair expenses of the properties and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any member or any representative of a member duly authorized in writing, at such reasonable time as may be requested by the owner. Upon ten (10) days' notice to the Board and a payment of a reasonable fee, any owner shall be furnished a statement of his/her account setting forth the amount of any unpaid assessments or other charges due and owing from such member.

(e) All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the lot owners and for such adjustment as may be required to reflect or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the members.

(f) If a member is in default in the payment of the aforesaid charges or assessments for (30) days, the members of the Board of Directors may bring suit for and on behalf of themselves and as representatives of all owners, to enforce collection thereof or to foreclose the lien therefore as hereinafter provided; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the court. To the extent permitted to any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided shall be and become a lien or charge against the lot of the member involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. A reasonable effort will be made to collect payments from members by email, phone call, letter prior to any suit or lien. Assessments that are more than 30 days late will additionally incur Late Fees at a percentage established by the Board of Directors.

ARTICLE XIII **NOTICE**

Section 1: Notice. Whenever, according to these by-laws, a notice shall be required to be given to any member or director, such notice may be given in writing by Email or by depositing the same in a post office in Champaign County, Illinois, in a postpaid, sealed envelope, addressed to such member, or director at his/her address as the same appears on the books of the corporation, and the time when such notice is Emailed or mailed shall be deemed the time of the giving of such notice. Or, the notice may be personally delivered to the member's address within the Trails at Brittany subdivision.

Section 2: Waiver of Notice. The requirements for notice, as outlined in these by-laws, can be waived by the individual entitled to receive such notice.

ARTICLE XIV **INDEMNIFICATION OF OFFICERS, DIRECTORS,** **EMPLOYEES AND AGENTS**

Section 1. The association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person, is or was a director, officer, employee or agent of the association, or who is or was serving at the request of the association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if s/he acted in good faith and in a manner s/he reasonably believed to be in or not opposed to the best interests of the association, and, with respect to any criminal action or proceeding, had no

reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment or settlement, conviction or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. The association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the association to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the association, or is or was serving at the request of the association as a director, officer, employee, or agent of another association, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3. To the extent that a director, officer, employee, or agent of the association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in section 1 and 2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith.

Section 4. Any indemnification under sections 1 and 2 shall be made by the association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in sections 1 and 2. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the shareholders.

Section 5. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the association as authorized in this article.

Section 6. The indemnification provided by this article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement vote of shareholder or disinterested directors or otherwise, both as to action in his or

her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 7. The association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the association, or is or was serving at the request of the association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the association would have the power to indemnify such person against such liability under the provisions of these sections writing to the members with or before the notice of the next membership meeting.

ARTICLE XV
INDEMNIFICATION/INSURANCE

The corporation shall hold harmless the owners of Member lots from and against any and all claims, demands, damages, and injuries incurred by or arising from: (a) the construction of any improvements within the common areas, lakes or lake use easement areas, (b) the maintenance and care of the common areas and lakes, or (c) the use and enjoyment of the common areas, lakes and lake use easement areas by the owners, guest, invitees and lessees of the Member lots.

ARTICLE XVI
BORROWING, PLEDGING ASSOCIATION ASSETS

Upon the approval of the majority of members, the Board of Directors may pledge association assets and/or borrow funds upon such terms as determined by the Board of Directors to carry out corporate purposes, including but not limited to the maintenance of the lakes and common areas, and the improvements thereon.

ARTICLE XVII
DIRECTORS CONFLICT OF INTEREST

Section 1: If a transaction is fair to the corporation at the time is authorized, approved, or ratified, the fact that a director of the corporation is directly or indirectly a party to the transaction is not grounds for invalidating the transaction.

Section 2: In a proceeding contesting the validity of a transaction described in Section 1 of this Article, the person asserting validity has the burden of proving fairness unless the material facts of the transaction and the director’s interest or relationship were disclosed known to the Board of Directors and the Board of Committee authorized, approved, or ratified the transaction by the affirmative votes of a majority of disinterest directors even though the disinterest directors were less than a quorum.

Section 3: The presence of a director who is directly or indirectly a party to the transaction described in Section 1 of this Article of a director who is otherwise not disinterest may be counted

in determining whether a quorum is present but may be counted when the Board of Directors or a committee then takes action on the transaction.

Section 4: For purposes of the Article, a director is “indirectly” a party to a transaction if the other party to the transaction is an entirety in which the director has a material financial interest or of which the director is an officer, director, or general partner.

ARTICLE XVIII **AMENDMENTS**

The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the Board of Directors unless otherwise provided in the articles of incorporation or the bylaws. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.