

STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLE

**AMENDED AND RESTATED BYLAWS OF THE
TOWNES AT FIVE FORKS HOMEOWNERS
ASSOCIATION, INC.**

Cross Reference: Original Bylaws recorded in **Deed
Book 2555, at Page 4747.**

These AMENDED AND RESTATED BYLAWS OF THE TOWNES AT FIVE FORKS HOMEOWNERS ASSOCIATION, INC. are executed this 23rd day of August, 2022.

WHEREAS, the original BYLAWS OF THE TOWNES AT FIVE FORKS HOMEOWNERS ASSOCIATION, INC. were recorded on January 3, 2019 in **Deed Book 2555, at Page 4747** in the Greenville County Register of Deeds Office, as amended by that FIRST AMENDMENT TO THE BYLAWS OF THE TOWNES AT FIVE FORKS HOMEOWNERS' ASSOCIATION, INC. recorded on April 6, 2020 in **Deed Book 2591, at Page 3177** (hereinafter collectively referred to as the "**Bylaws**"); and

WHEREAS, pursuant to Article 12, Section 12.1 of the original Bylaws, the Bylaws may be "amended at a regular or special meeting of the Members, by vote of at least fifty-one percent (51%) of all votes present at a duly held meeting of the Members at which a quorum is present in person or by proxy;" and

WHEREAS, the Association desires to further amend and fully restate the Bylaws as set forth herein, superseding and replacing all previous versions, and incorporating all amendments; and

WHEREAS, in compliance with Article 12, Section 12.1 of the Bylaws, a meeting was held on 10th May, 2022, at which a quorum was present in person or by proxy, and no less than fifty-one percent (51%) voted to approve the following amendment to the Bylaws.

NOW, THEREFORE, the BYLAWS OF THE TOWNES AT FIVE FORKS HOMEOWNERS ASSOCIATION, INC. are hereby amended and restated, as follows:

ARTICLE I
NAME AND LOCATION

Section 1.1 Name. The name of the corporation is The Townes at Five Forks Homeowners' Association, Inc. hereinafter referred to as the "Association."

Section 1.2 Location. The principal office of the Association shall be located in Greenville County, South Carolina.

Section 1.3 Registered Agent & Office. The registered agent for the Association shall be the agent of record with the South Carolina Secretary of State. The Board of Directors may change the registered agent by filing the appropriate forms with the South Carolina Secretary of

State. The registered office of the Association must be located in South Carolina and may be, but need not be, identical to the principal office.

Section 1.4 Purpose. The purpose for which the Association is organized is to further the interests of Owners of Lots in The Townes at Five Forks subdivision located in Greenville County, South Carolina, and in connection therewith to provide services to such property Owners, manage and maintain the Common Areas, and administer and enforce all covenants and restrictions dealing with the Property and any other purposes allowed by law.

ARTICLE 2

DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the meanings set forth in the First Restatement of the Covenants, Conditions and Restrictions for The Townes at Five Forks Subdivision (hereinafter referred to as the "Declaration") executed by The Townes at Five Forks Homeowners' Association, Inc. and duly recorded in the Greenville County, South Carolina Register of Deeds Office as the same may be supplemented and amended from time to time.

ARTICLE 3

MEETINGS OF MEMBERS

Section 3.1 Membership. The Members of the Association, hereinafter referred to as "Members," shall at all times be limited to the Owners of Lots in the Subdivision.

Section 3.2 Annual Meeting. Annual meetings of the Members shall generally be held in May of each year, on such date and time as determined by the Board of Directors.

Section 3.3 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote five percent (5%) of all of the votes appurtenant to the Lots or the maximum voting percentage required by the South Carolina Non-Profit Corporation Act, whichever is greater.

Section 3.4 Place of Meetings. All meetings of the Members shall be held in a public, accessible place, and to the extent possible shall be held within ten (10) miles of the location of the subdivision or at the office of the Registered Agent as determined by the Board of Directors of the Association.

Section 3.5. Notice of Meetings. Written notice of each meeting of the Members shall be given electronically to the email address on file with the Association management company or by mailing a copy of such notice by first class mail, postage prepaid. In either event, such notice shall be sent not less than thirty (30) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's email address or mailing address last appearing on the books of the Association. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3.6. Membership List. An alphabetical list of the names of all Members who are entitled to vote and their mailing addresses shall be prepared by the Secretary and shall be available for inspection by any Member beginning on the next business day after notice of any meeting is given and continuing through the meeting, at the Association's principal office, or at a place identified in the meeting notice in the city where the meeting will be held. This list shall also be available at the meeting for inspection by any Member.

A Member is deemed entitled to vote if the Member is in good standing, as set forth in Article III, Section 2 of the Declaration.

Section 3.7 Quorum. The presence or representation (by proxy or written ballot, as applicable) of Members entitled to cast twenty-five percent (25%) of the votes appurtenant to the Lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented for the purpose of a vote, subsequent votes may be called, subject to the same notice requirement, and the required quorum for the purpose of the subsequent vote shall be reduced by fifty percent (50%) of the quorum that was required for the preceding vote. No subsequent vote shall be held more than sixty (60) days following the preceding vote.

Section 3.8 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, dated within eleven (11) months prior to the meeting, and on file with the Association. Every proxy shall be revocable by (i) the in-person appearance of the vote holder at the meeting; (ii) the filing of a valid substitute proxy or cancellation of proxy with the Association prior to the call to order of the meeting, or (iii) conveyance by the vote holder of their Lot prior to the call to order of the meeting.

Section 3.9 Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration, or these Bylaws, any act or decision approved by a vote of no less than fifty-one percent (51%) of the votes representing a quorum of the Members, shall be regarded as the act of the Members. In the event of a physical meeting at which a quorum is of the Members has been established, the Members may continue to do business at such meeting, or any adjournment thereof, notwithstanding the withdrawal of enough Members to leave less than the required quorum.

Section 3.10 Waiver of Notice. Any Member may, at any time, waive notice of any meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him or her of the time and place thereof, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

Section 3.11 Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if: (i) a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book; or (ii) such action is approved by written ballot as authorized by the South Carolina Code of Laws, 1976, as amended.

Section 3.12 Adjournment of Meetings. If a vote of the membership cannot be held because a quorum is not present at the meeting, a majority of the Members represented at such meeting may adjourn the meeting to a time not less than thirty (30) days nor more than sixty (60) days from the date of the adjourned meeting. In the event of such adjournment, further notice, other than announcement of the date, time, and place shall not be required. At the reconvened meeting, if a quorum is present as prescribed by Section 3.7 of this Article 3, any business may be transacted which might have been transacted at the meeting originally called. Notice of time and place for reconvening the meeting shall be given to Members in the same manner prescribed for regular meetings.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1 Number and Qualifications. The business and affairs of the Association shall be managed by a Board of five (5) directors, who shall be elected by the membership in accordance with this Article. Directors must be Members of the Association and must be in good standing, as determined by status of his or her account and/or his or her compliance with the Declaration and any rules and regulations of the Association.

Section 4.2 Nomination. Nomination for election to the Board of Directors may be made by the Nominating Committee. If applicable, the Nominating Committee shall consist of a Chairman and two or more Members of the Association. The Nominating Committee may be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment may be announced at each annual meeting. The Nominating Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. In the event that a Nominating Committee is not appointed by the Board of Directors, the Board of Directors shall serve as the

Nominating Committee. Nominations may also be solicited in writing by the Board or if a physical annual meeting is being held, nominations may be made from the floor of such meeting.

Section 4.3 Election. Directors may be elected at the annual meeting of the Members by written ballot. At such election, Members who are entitled to vote (or their proxies) may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws and the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Directors may be elected to serve any number of consecutive terms.

Section 4.4 Term of Office. All directors elected by Members shall serve a term of two (2) years. In the event a successor is not or cannot be elected for whatever reason, such director shall continue to serve until their successor is properly elected, or until their resignation, removal, incapacity, or death.

Section 4.5 Removal. Any Director may be removed from the Board of Directors, with or without cause, by a two-thirds (2/3) vote of the Members of the Association. In the event of death, resignation, or removal of a director, his or her successor shall be appointed by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the Board of Directors.

Section 4.6 Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 4.7 Salaries of Employees and Agents. Except as provided elsewhere in these Bylaws, the Board of Directors may set the salaries of all employees and agents of the Association, if any.

ARTICLE 5

MEETINGS OF DIRECTORS

Section 5.1 Regular Meetings. Meetings of the Board of Directors shall be held at least once each quarter, or more frequently as determined by the Board of Directors in its sole discretion. Regular meetings shall be held on such days and at such place and hour as may be fixed from time to time by resolution of the Board of Directors, or otherwise approved in writing by a majority of the Board of Directors.

Section 5.2 Special Meeting. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or when called by any two (2) directors, after not less than three (3) days' notice to each director.

Section 5.3 Notice of Meetings. Notice of each Special Meeting of the Board of Directors, stating the date, time, manner, and place of the meeting, shall be given by or at the direction of the Secretary of the Association by first class mail, email, or by telephone, not less than three (3) days before the day on which the meeting is to be held. Any and all requirements for notice of such special meetings are waived if all directors are present at the meeting or if those not present at the meeting shall at any time thereafter waive notice thereof in writing.

Section 5.4 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board of Directors.

Section 5.5 Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless an action of the Board of Directors if written consent to the action in question is signed, and confirmed in writing or by electronic means, by all of the directors, and recorded in the minutes of the following meeting of the Board of Directors.

Section 5.6 Chairman. The President shall serve as Chairman for all meetings of the Board of Directors. In the event there is a vacancy in the office of the Presidency or in the event the President is unavailable or unable to chair a meeting, the Vice President shall serve as Chairman for the meeting. In the event there is a vacancy in the office of the Vice Presidency or in the event the Vice President is unavailable or unable to chair the meeting in the stead of the President, the Secretary shall serve as Chairman for the meeting. In the event there is a vacancy in the office of the Secretary, or in the event the Secretary is unavailable or unable to chair the meeting in the stead of the Vice President, the Board shall temporarily appoint a Chairman for the meeting.

Section 5.7 Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the directors and officers of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the officers and directors of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are property owners and general Members of the Association.

ARTICLE 6
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1 Powers. The Board of Directors shall have power to:

- (a) Adopt, publish, and enforce reasonable rules and regulations, concerning the use and enjoyment of the Lots and the Common Areas, including the personal conduct of Members and their Guests while within the Property, which may include penalties for the infraction thereof;
- (b) Suspend voting rights of an Owner and/or to suspend an Owner's right to use of any recreational facilities for any period not to exceed sixty (60) days for any infraction of any covenants and restrictions contained in this Declaration and/or its published rules and regulation;
- (c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties;
- (f) Employ attorneys to represent the Association when deemed necessary;
- (g) Grant easements for the installation and maintenance of sewer or waterlines and other utilities or drainage facilities upon, over, under, and across the Common Area without the consent of the membership when such easements will not adversely affect the convenient use and enjoyment of the Subdivision;
- (h) Appoint and remove, at pleasure, all officers, agents, and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient;
- (i) Do anything necessary or desirable, including, but not limited to, establishing any rules or regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law;
- (j) To levy Assessments as more particularly set forth in the Declaration;

- (k) To enforce the provisions of the Declaration and any additional or supplementary declaration and any rules or regulations made hereunder or thereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules and/or seek recovery by Non-Compliance Assessments against any Owner for violation of such provisions, rules, or regulations pursuant to the provisions of the Declaration; and
- (l) Make or contract for the making or repairs, additions, and improvements to, or alterations of, the Common Area in accordance with the Declaration and these Bylaws.

Section 6.2 Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members entitled to at least five percent (5%) of the total votes of the Association;
- (b) Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration:
 - (1) Fix the amount of the Assessments as more particularly described in the Declaration;
 - (2) Send written notice of each assessment to every Owner subject thereto before its due date; and
 - (3) Foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid (A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.);
- (e) Procure and maintain adequate liability insurance covering the Association and the directors and officers thereof, and adequate hazard insurance on the property owned by the Association;

- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate; and
- (g) Cause the Common Areas to be maintained.

ARTICLE 7

OFFICERS AND THEIR DUTIES

Section 7.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President and Vice President shall at all times be elected members of the Board of Directors and Members of the Association. The Board of Directors may from time to time create other officer titles by resolution.

Section 7.2 Election of Officers. The election of officers may take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3 Term. Each officer of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 7.4 Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine.

Section 7.5 Resignation, Removal and Vacancies. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7.6 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.7 Compensation. No officer shall receive any compensation from the Association for acting as such.

Section 7.8 Duties. The duties of the officers are as follows:

President

- (a) The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and oversee the management of the Association. The President shall preside over all meetings of the Association and the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; and shall sign all leases, mortgages, deeds, and other written instruments necessary to carry out the business of the Association.

Vice President

- (b) The Vice President shall act in the place and stead of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board of Directors.

Secretary

- (c) The Secretary shall oversee the record keeping of the Association and perform such other duties as required by the Board of Directors. Unless otherwise delegated to the managing agent, the Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; shall serve notice of meetings of the Board of Directors and of the Members; and shall keep appropriate current records of the Members of the Association together with their voting interest and contact addresses.

Treasurer

- (d) The Treasurer or a managing agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors. The Treasurer shall oversee, review, and approve accounts payable and promissory notes of the Association prior to signature and disbursement by a managing agent. The Treasurer or the managing agent shall keep proper books of account, and shall prepare and distribute to the Members an annual financial report in accordance with the requirements of South Carolina law. The Treasurer or the managing agent may, but are not required by law to utilize the services of a certified public accountant in preparing the annual financial report.

ARTICLE 8

COMMITTEES AND MANAGER

Section 8.1 Executive Committee. The Board of Directors may, by resolution, designate an Executive Committee to consist of two or more of the directors; which shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association, to the extent provided in such resolution, up to and including all actions specified by these Bylaws to be performed by the Board of Directors, in the same manner and with the same authority and effect as if such acts had been performed by the Board of Directors. Notwithstanding the foregoing, and notwithstanding the enactment of a resolution creating such Executive Committee, the Board of Directors shall at all times have the power to revoke and dissolve the Executive Committee and/or to reverse any actions taken by the Executive Committee; provided that such exercise shall in no way abrogate the obligations or duties owing by the Association to third parties who have acted in reliance on the action taken by such Executive Committee.

All proceedings and action taken by such Executive Committee shall be reported to the Board of Directors at the regular meeting of the Board of Directors or special meeting called for such purpose next following such proceedings or action.

Section 8.2 Nominating Committee. The Association may appoint a Nominating Committee, as provided in these Bylaws.

Section 8.3 Architectural Review Committee. The Association may appoint an Architectural Review Committee, as provided in the Declaration.

Section 8.4 Other Committees. The Board of Directors may create such other committees as the Board of Directors may from time to time deem necessary.

Section 8.5 Compensation. Members of committees shall not receive any salary or compensation for their services; provided, however, that a committee member may serve the Association in another capacity and receive compensation therefor.

Section 8.6 Managing Agent. The Board of Directors may hire a managing agent or management company to assist with the Association's business. Under such circumstances, the managing agent shall, among other duties delegated by the Board of Directors in its sole discretion, be authorized to write checks on behalf of the Association and to make deposits on behalf of the Association. Managing agents or management companies must be engaged pursuant to written contractual agreements which include detailed descriptions of the duties that have been delegated by the Board of Directors.

ARTICLE 9
BOOKS AND RECORDS

The Association shall keep corporate records, and Members shall be entitled to inspect corporate records in accordance with the South Carolina Non-Profit Act.

ARTICLE 10
ASSESSMENTS AND FINES

Section 10.1 Assessments. As more fully provided in the Declaration, each Member is obligated to pay Assessments to the Association. Any Assessments which are not paid when due shall be delinquent. As set forth in the Declaration, any Assessment, with the exception of Non-Compliance Assessments, not paid within thirty (30) days after the due date, shall be subject to a \$50 late fee for each month that the Assessment remains unpaid. Pursuant to the Declaration, all such Assessments together with late fees, and any costs, expenses, and attorneys' fees incurred in the pursuit of collection, shall be the personal obligation of the Owner of the Lot against which such Assessment is made, and shall also be a charge on the land and constitute a continuing lien upon the Lot and improvements against which such Assessments are made. The Association may bring an action at law or in equity against the Member personally obligated to pay the same or foreclose the lien against the Lot subject to the assessment in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages. No Member may waive or otherwise escape liability for the Assessments by claiming non-use of the Common Area or abandonment of his or her Lot.

Section 10.2 Non-Compliance Assessments: The Board of Directors shall have the authority to assess monetary fines for violations of the Declaration, the Articles of Incorporation, the Bylaws, and any guidelines, rules, and regulations adopted by the Association, or hereafter amended. Such monetary fines shall be levied as Non-Compliance Assessments consistent with the Declaration. The amounts of such Non-Compliance Assessments may be listed in the most current Non-Compliance Assessment Schedule, as recorded in the Office of the Register of Deeds for Greenville County, South Carolina, and any subsequent amendments thereto. If the amount of the applicable Non-Compliance Assessment is not stated explicitly in the Declaration (including any amendments to said Declaration if applicable) or in the published guidelines, rules and regulations, or in the most current Non-Compliance Assessment Schedule, the amount of the Non-Compliance Assessment may be determined by the Board of Directors, in its sole discretion.

ARTICLE 11
CORPORATE SEAL

The Association may, but is not required by law, to have a seal in circular form.

ARTICLE 12
AMENDMENTS

Section 12.1. These Bylaws may be amended at a duly noticed and held regular or special meeting of the Members by a vote of at least fifty-one percent (51%) of all votes present in person or by proxy.

Section 12.2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 13
MISCELLANEOUS

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January and end on the 31st day of December of every year.

ARTICLE 14
INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the extent permitted by law, the Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him or her in connection with the defense of or as a consequence of any threatened, pending, or completed action, suit, or proceeding (whether civil or criminal) in which he or she is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he or she shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty, or in relation to a proceeding by or for the right of the Association in which a director or officer was adjudged liable to the Association or in relation to a proceeding where a director or officer was adjudged liable on the basis that personal benefit was improperly received by that director or officer.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members 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.

The Association may 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 him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust, or other enterprise.

Nothing contained in this Article 14 or elsewhere in these Bylaws shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

[SIGNATURE PAGE TO FOLLOW]

Page 15 of 15