

ARTICLE V
Board of Directors

5.1 Number, Qualification and Election. The affairs of the Association shall be governed by a Board of Directors composed initially of five (5) persons who, except in the case of the First Board, the Second Board and the Third Board, as such terms are defined below in this Article 5.01, are members of the Association, spouses of members or, in the event that a Unit is owned by a corporate or other business entity, an officer or director of such entity who resides in the Unit owned by such entity. The foregoing persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, as follows;

(A) Prior to the first meeting of the Members of the Association, the five (5) Directors comprising the Board of Directors shall have been appointed by the Declarant (“the First Board”), and such Directors shall serve for such first meeting and shall thereafter continue to serve until the first annual meeting of the Members of the Association.

(B) At the first annual meeting of the Members of the Association, two (2) Directors shall be elected by the Members, to serve for a term of three (3) years (“the Second Board”). The two (2) Directors so elected shall replace two (2) of the original five (5) Directors initially appointed by the Declarant, and the Declarant shall designate which two (2) Directors shall be replaced.

(C) At the second annual meeting of the Members of the Association, two (2) Directors shall be elected by the Members, to serve for a term of three (3) years (“the Third Board”). The two (2) Directors so elected shall replace two (2) of the original five (5) Directors initially appointed by the Declarant, and the Declarant shall designate which two (2) Director shall be so replaced.

(D) At the third annual meeting of the Members of the Association, one (1) Director shall be elected by the Members to serve for a term of three (3) years. The one (1) Director so elected shall replace the remaining one (1) Director initially appointed by the Declarant.

(E) At the fourth annual meeting of the Members of the Association, and at each annual meeting of the Members of the Association thereafter, two (2) and/or one (1) Directors, as the case may be, shall be elected by the Members of the Association to serve for a term of three (3) years.

The Directors (other than those appointed by the Declarant) shall serve for their respective designated terms, commencing at the time of their election until their death, resignation, removal or until they are no longer Members of the Association, whichever occurs first. Those Directors appointed by the Declarant shall serve from their appointment until their death, resignation, removal, appointment of a successor Director by the Declarant, or until such time as their position as Director is filled by means of election by the Members of the Association as provided for in the Article 5.01, provided, however, that the Declarant shall at all times have the right to remove any such appointed Director, with or without cause, and appoint a successor Director for the unexpired portion of such removed Director's term.

5.2 Nominations. For those Directors to be elected by the Association, nominations for election to the Board of Directors shall be made by a nominating committee which shall consist of a chairman, who shall be a Director, and two or more Members, who shall have been appointed by the Board of Directors prior to such annual meeting of the Members (except the initial nominating committee, which shall be appointed by the initial Board of Directors to serve from the close of the first meeting of the Members of the Association until the close of the first annual meeting) and such appointment shall be announced at each annual meeting. The

nominating committee shall make as many nominations for election to the Board of Directors as it determines in its discretion to be appropriate, but not less than the number of vacancies that are to be filled.

5.3 Election. Election to the Board of Directors, or to fill a vacancy left on the Board of Directors as a result of a vote cast by the Association, shall be by secret written ballot. The Members may cast, in person or by proxy, in respect to each vacancy on the Board of Directors such votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes shall be elected.

5.4 Removal and Vacancies. Any member of the Board of Directors appointed by the Declarant may be removed from membership on the Board of Directors, for cause only, by the affirmative vote of two-thirds (2/3rds) of the votes represented at a special meeting of the Members of the Association called to consider such action, or at an annual meeting. A replacement for such Director other than those Directors appointed by the Declarant may be removed from membership on the Board of Directors with or without cause, by the affirmative vote of two-thirds (2/3rds) of the votes represented at a special meeting of the Members of the Association called to consider such action, or at an annual meeting. Any Director whose removal has been proposed by the Association shall be given an opportunity to be heard at the meeting. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each Director so elected shall serve out the remaining term of his predecessor.

5.5 Compensation and Expenses. No Director shall receive and compensation from the Association for acting as such but shall be reimbursed for reasonable expenses incurred while serving in such capacity.

5.6 Action by Written Consent. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

5.7 Regular Meetings. The annual meeting of the Board of Directors shall be held each year immediately following the annual meeting of the Association, at the place of such annual meeting, for the election of officers and consideration of any other business that may be properly brought before such annual meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least two (2) days prior to the date designated for such meeting. Regular meetings of the Board of Directors may be either open or closed to persons other than Directors, as the Board of Directors may in its sole discretion determine.

5.8 Special Meetings. Special meeting of the Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. Not less than three (3) day's notice of the meeting shall be given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors may be either open or closed to persons other than Directors, as the Board of Directors may in its sole discretion determine.

5.9 Notices. Any notice permitted or required to be given to a Director may be delivered personally or by certified or registered mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after deposit in the U. S. Mail, postage prepaid, addressed to the Director at the address given in writing by such Director to the Secretary of the Association for the purpose of service of notices. Any address for purposes of notice may be

changed from time to time by notice in writing to the Secretary.

5.10 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and such waiver, if in writing and signed by such Director, shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place and purpose thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

5.11 Quorum. A quorum at a meeting of the Board of Directors shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number is required by the Declaration or by these Bylaws. If, at any meeting of the Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without additional notice.

5.12 Consent to Action. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

5.13 Powers and Duties. All of the powers and duties of the Association existing under the Condominium Act, the Declaration and these Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by the Members when such approval is specifically required. Such powers and duties shall include, but shall not be limited to the following, subject, however, to the provisions of the Condominium Act, the Declaration and these Bylaws;

- (A) To fix, determine and collect the monthly prorated assessments to be paid by each of the Members, and to adjust or increase the amount of the monthly assessments subject to the provisions of the Declaration; to collect special assessments in order to meet increased operating, legal, or maintenance expense or costs, and additional capital expense. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a Member, as provided in the Declaration and Bylaws;
- (B) To maintain and operate the Condominium, and to repair or replace any property or facilities pertaining thereto as provided in the Declaration;
- (C) To purchase insurance upon the Condominium for the protection of the Members as required by, and pursuant to, the Declaration;
- (D) To protect and defend the Condominium from loss and damage by suit or otherwise;
- (E) To establish, make and enforce compliance with rules for the orderly operation, use and occupancy of the Condominium (a copy of such rules and regulations shall be mailed or delivered to each Member upon adoption thereof);
- (F) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Declaration;
- (G) To approve or disapprove of the transfer of Units by sale in the manner provided by the Declaration;
- (H) To arrange for and purchase water, sewer, garbage, electrical, chilled water, gas, and other necessary utility services for the Common Area and (to the extent not separately metered and charged) for the Units;
- (I) To contract for management of the Condominium and to delegate to a Managing Agent all powers and duties of the Board of Directors except such as are specifically required by the Condominium Act, the Declaration and these Bylaws to have approval of the Members;

(J) To employ personnel to perform the services required for proper operation of the Condominium;

(K) To borrow funds in order to pay for any required expenditure or outlay to execute all such instruments evidencing such indebtedness which shall be the several obligations of all of the Owners of Units in the same proportion as their interest in the Common Elements;

(L) To enter into contracts within the scope of their duties and powers;

(M) To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Board of Directors;

(N) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof upon the request in writing by an Owner, and to cause a complete audit of the books and accounts by a competent accountant, once each year. The Association shall cause to be prepared and delivered annually to each Owner and audited statement showing all receipts, expenses or disbursements since the last such statement; and

(O) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of condominium ownership, including and without limitation the fiscal management, physical management, and administrative management of the Condominium.