

**BYLAWS
OF THE
VILLAGE GREEN RECREATION ASSOCIATION, INC.,
A South Carolina Nonprofit Mutual Benefit Corporation**

Pursuant to the provisions of the South Carolina Nonprofit Corporation Act, the Board of Directors of Village Green Recreation Association, Inc., a South Carolina nonprofit mutual benefit corporation, hereby adopts the following Bylaws for such corporation.

ARTICLE I

NAME AND LOCATION

The name of the corporation is the **VILLAGE GREEN RECREATION ASSOCIATION, INC.** (hereinafter the "Association"). The principal office of the Association shall be located at 2430 Mall Drive, Suite 450, North Charleston, South Carolina, 29406. The location of the principal office of the Association may be changed by the Board of Directors. Meetings of Members and Directors may be held in such places within Charleston County, South Carolina, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean the **VILLAGE GREEN RECREATION ASSOCIATION, INC.** a South Carolina nonprofit mutual benefit corporation, its successors and assigns.

Section 2. "Amenities Area" means the real property, together with any improvements thereon, owned by the Association and delineated as the "Amenity Center" on a plat entitled "Subdivision Plat Showing Oakleaf, Phase 1, A _____ Acre Tract of Land, Property of Centex Homes, a Nevada General Partnership, Located in Village Green, in the City of Charleston, Charleston County, S.C." recorded in the RMC Office of Charleston County, South Carolina, at Book EC, Page 574. The Amenities Area shall be maintained by the Association or its successors in interest unless dedicated to public use and accepted by governmental authority.

Section 3. "Board of Directors" or "Board" means the board of directors of the Association. The term "Director" means one of the individuals serving on the Board of Directors.

Section 4. "Declarant" shall mean and refer to Centex Homes, a Nevada general partnership. It shall also mean and refer to any person, firm or corporation to whom or which Declarant shall assign or delegate the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the RMC Office of Charleston County, South Carolina.

Section 5. "Declaration" shall mean and refer to that certain Declaration Of Covenants, Conditions And Restrictions For Village Green Subdivision Amenity Center, filed for record at Book 2302, Page 794, in the RMC Office of Charleston County, South Carolina.

Section 6. "Single-Family Detached Home" means a single family residence constructed upon a Lot in the Properties and not attached to any other single-family residence.

Section 7. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown on any recorded subdivision map of the Properties upon which a Single Family Detached Home is permitted to be erected, with the exception of the Amenities Center and any other property owned in fee by the Association or the Village Green Homeowners Association, Inc. and any street rights-of-way shown on such recorded map. In the event that any Lot is increased or decreased in size by recombination or resubdivision through recordation of new subdivision plats, any newly-platted lot shall thereafter constitute a Lot. The term "Lot" also refers to any lot located in the "River Oaks" or "Willows" sections of the "Village Green" master community (of which the Properties are a part) whose owners subject such Lot to the terms and provisions of the Declaration.

Section 8. "Member" shall mean and refer to every person or entity who or which holds membership in the Association.

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers and owners of an equity of redemption, but excluding those having an interest in a Lot solely as security for the performance of an obligation.

Section 10. "Properties" shall mean and refer to the "Existing Property" described in Article II of the Declaration and any additional property annexed pursuant to said Article II.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot that is subject to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. Ownership of a Class A Lot shall entitle the Owners of such Lot to one (1) vote. When more than one person holds an ownership interest in any Lot, all such persons shall be Members, but no more than one vote shall be cast with respect to any Lot. The vote for any such Lot shall be exercised as the Members holding an interest in such Lot determine among themselves.

In the event of disagreement, the decision of Members holding a majority of the interest in such Lot shall govern. Unless otherwise notified by a co-owner as to a dispute between the co-owners regarding their vote prior to the casting of that vote, the vote of any co-owner shall be conclusively presumed to be the majority vote of the Owners of that Lot but fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been converted to Class A Lots as provided in subparagraphs (1) or (2) below. Declarant shall be entitled to ten (10) votes for each Class B Lot owned by Declarant.

The Class B Lots shall cease to exist and shall be converted to Class A Lots upon the earlier of the following to occur (the "Turnover Date"):

(1) When the total number of votes appurtenant to the Class A Lots equals the total number of votes appurtenant to the Class B Lots; provided, however, that all Lots owned by the Declarant shall revert to Class B Lots and thereby be reinstated with all rights, privileges and responsibilities of such Class if, after the conversion of Class B Lots to Class A Lots, additional Lots within the Properties are formed by the recording in the RMC Office of Charleston County of a new map of Lots and a supplementary declaration for such additional Lots as set forth in Article II hereof, thus making Declarant the Owner, by virtue of all or a portion of the newly-recorded Lots being owned by Declarant and of other Lots owned by Declarant, of a sufficient number of Class B Lots to cast a majority of votes (it being hereby stipulated that the conversion and reconversion shall occur automatically as often as the foregoing facts shall occur); or

(2) on December 31, 2017.

When the Class B Lots cease to exist and are converted to Class A Lots, Declarant shall have the same voting rights as other Owners of Class A Lots; however, such Lots shall continue to be treated as Class B Lots for assessment purposes.

Section 3. Optional Membership for Willows and River Oaks Sections. All owners of lots located within the Willows and River Oaks Sections of the Village Green master community are entitled to become Members of the Association upon the payment of an initiation fee of \$400.00 and the recordation of a Supplemental Declaration subjecting such lot to the terms of the Declaration. The term "Owner" shall include the Willows and River Oaks owners who subject their lots to the Declaration as required therein, and the term "Lot" shall include the Willows and River Oaks lots which are subjected to the Declaration as required therein.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within two (2) years from the date of incorporation of the Association. Each subsequent regular

annual meeting of the Members shall be held each year thereafter on the day, at the hour, and at the place specified in the notice to the Members of the meeting.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or a majority of the members of the Board of Directors. Special meetings of the Members shall be called upon the written request of the Members entitled to one-fourth (1/4) of the votes appurtenant to the Class A Lots.

Section 3. Place of Meetings. Meetings of the Members shall be held at such place within Charleston County, South Carolina, as may be determined by the Board of Directors.

Section 4. Notice of Meetings. Except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, to each Member entitled to vote at such meeting, by hand delivery or by mailing a copy of such notice, postage prepaid, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Notice shall be mailed or delivered not less than ten (10) days nor more than forty-five (45) days before the date of the meeting. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the exact purpose of the meeting, including the text of any proposals to be voted on at such special meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 5. Quorum. Except as otherwise provided in the Articles of Incorporation, the Declaration (including, specifically, Section 6 of Article V thereof) or these Bylaws, the presence at a meeting of Members or their proxies entitled to cast twenty percent (20%) of the votes appurtenant to each Class of Lots (Class A and Class B) shall constitute a quorum for any action

In the absence of a quorum at a meeting, the Members entitled to vote at such meeting shall have the power to adjourn the meeting to another time subject to the same notice requirement required in Section 4 above, unless the meeting is held within thirty (30) days after the adjourned meeting, in which event no additional notice shall be required if the time and place of the following meeting is announced at the adjourned meeting. If a meeting is adjourned due to lack of a quorum, and a subsequent meeting is scheduled in lieu thereof, all notice requirements being applicable to such subsequent meeting, and such notice indicates that the subsequent meeting is being held due to lack of a quorum at the adjourned meeting then the quorum requirement for the subsequent meeting shall be shall be one-half (\square) of the quorum requirement for the adjourned meeting, provided such subsequent meeting is held within forty-five (45) days of the adjourned meeting. The reducing quorum requirement may take place multiple times for multiple subsequent meetings (reducing by fifty percent (50%) each time subject to the minimum quorum requirement referred to below), provided all notice requirements and time periods are complied with, until a meeting is held at which a quorum is present. In no event shall the quorum requirement be reduced beyond ten percent (10%) of the total number of votes of the Members.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association or other person designated at the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot or upon receipt by the Association of written notice of the death or incapacity of the Member who executed the proxy. Any proxy shall be invalid after expiration of eleven (11) months from the date it is executed.

Section 7. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is 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 minute book of the Association.

ARTICLE V

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by a Board of Directors. Until the Turnover Date referred to in Article III, Declarant shall appoint the Directors who will serve on the Board.

Section 2. Number and Qualification. The number of Directors of the Association shall be at least three (3) until Declarant's Resignation Event (referred to below). The number of Directors elected by the Members subsequent to the Declarant's Resignation Event shall be not less than three (3) nor more than five (5), as the Board shall from time to time determine prior to each meeting at which Directors are to be elected, but in any event these shall always be an odd number of Directors. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouse of Members. There shall be one (1) vote for each Director.

Section 3. Election of Board.

(a) Upon the Turnover Date, the Members other than Declarant ("Purchaser Members") shall be entitled to elect not less than a majority of the Board. The election of not less than a majority of the Board by the Purchaser Members shall occur at a special meeting of the membership to be called by the Board for such purpose ("Initial Election Meeting"). The Board as appointed by Declarant from time to time shall serve until the Initial Election Meeting.

(b) At the Initial Election Meeting, Purchaser Members shall elect two (2) of the Directors, and Declarant, until the Declarant's Resignation Event, shall be entitled to designate one (1) Director (same constituting the "Initial Elected Board"). Declarant reserves and shall have the right, until the Declarant's Resignation Event, to name the successor, if any, to any Director it has so designated.

(c) The Board shall continue to be so designated and elected, as described in subparagraph (b) above, at each subsequent annual meeting of the Members, until the annual meeting following the Declarant's Resignation Event or until a Director is removed in the manner hereinafter provided.

A Director (other than a Declarant-appointed Director) may be removed from office upon the affirmative vote of a majority of Owners, for any reason deemed to be in the best interests of the Owners. A meeting of the Owners to so remove a Director (other than a Declarant-appointed Director) shall be held upon the written request of twenty percent (20%) of the Owners.

Section 4. Initial Election Meeting. The Initial Election Meeting shall be called by the Association, through the Board, within one hundred eighty (180) days after the Purchaser Members are entitled to elect a majority of Directors as provided in Section 3(a) hereof. A notice of meeting shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least fourteen (14) days' notice of such meeting. The notice shall also specify the number of Directors which shall be elected by the Purchaser Members and the remaining number of Directors designated by Declarant.

(a) Upon the earlier to occur of the following events ("Declarant's Resignation Event"), Declarant shall cause all of its designated Directors to resign:

1) When Declarant no longer holds any Lot for sale in the ordinary course of business and all Lots sold by Declarant have been conveyed as evidenced by the recording of instruments of conveyance of such Lots amongst the public records of the RMC Office of Charleston County; or

2) When Declarant causes the voluntary resignation of all of the Directors designated by Declarant and does not designate replacement Directors.

Upon Declarant's Resignation Event, the Directors elected by Purchaser Members shall elect a successor Director to fill the vacancy caused by the resignation or removal of Declarant's designated Director. This successor Director shall serve until the next annual meeting of the Members and until his successor is elected and qualified. In the event Declarant's Resignation Event occurs prior to the Initial Election Meeting, the Initial Election Meeting shall be called in the manner set forth above, with the exception being that all of the Directors shall be elected by the Purchaser Members at such meeting.

Section 5. Term Subsequent to Initial Election Meeting. At each annual meeting of the Members held subsequent to Declarant's Resignation Event, all of the Directors shall be elected by the Members. At the first annual meeting held after the Initial Election Meeting, a "staggered" term of office of the Board shall be created as follows:

(a) a number equal to fifty percent (50%) of the total number of Directors rounded to the nearest whole number is the number of Directors whose term of office shall be established at

two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the most votes at the meeting; and

(b) the remaining Directors' terms of office shall be established at one (1) year.

At each annual meeting of the Members thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years expiring when their successors are duly elected and qualified.

Section 6. Nomination. Nomination for election to the Board of Directors at the Initial election Meeting and each subsequent annual meeting of the Members at which Directors are elected, may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Members. If applicable, the Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. If applicable, the Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members following the Turnover Date, to serve from the close of such annual meeting until the close of the next 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 shall in its discretion determine, but not less than the number of vacancies that are to be filled by vote of the Purchaser Members (or following Declarant's Resignation Event, by vote of the Members). Such nominations by the Nominating Committee (if any) may be made from among Members or non-members.

Section 7. Compensation. No Director shall receive compensation for any service he may render to the Association in the capacity of Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually, without notice, and at such place and hour as may be fixed from time to time by resolution of the Board. Should the date of such meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

Section 3. 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 the act of the Board.

Section 4. Informal Action by Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if written consent to the action so taken is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. Chairman. A Chairman of the Board of Directors shall be elected by the Directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the President, a Chairman shall be elected by the Board of Directors to serve until a new President is elected.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Lots and the Amenities Area and the personal conduct of the Members and their guests thereon and establishing penalties for infractions thereof, and adopt and publish rules and regulations interpreting the restrictions and covenants applicable to the Properties;

(b) suspend a Member's voting rights during any period in which he shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after such notice and hearing as the Board, in its sole discretion, shall establish, for a period not to exceed sixty (60) days, for infraction of the published rules and regulations of the Association;

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members 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 without good cause;

(e) employ a manager and such other employees and independent contractors as it deems necessary and prescribe their duties, and contract with a management company to manage the operation of the Association. Any contract entered into with a management company must be terminable by the Board of Directors with cause and without penalty on not more than thirty (30) days' notice and any management contract made with the Declarant shall be for a period not to exceed three (3) years;

(f) employ attorneys, accountants and other persons or firms to represent the Association when deemed necessary;

(g) grant easements for the installation and maintenance of any sewage, utility or drainage facilities upon, over, under and across the property owned by the Association without the assent of the Members when such easements are necessary for the convenient use and enjoyment of the Properties;

(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.

Section 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 at least five (5) working days before such meeting by Members entitled to at least one-fourth (1/4) of the votes appurtenant to the Class A Lots;

(b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days before January 1 of each year;

(2) send written notice of such assessment to every Owner subject thereto at least seven (7) days before January 1 of each year; and

(3) as to any Lot for which an assessment is not paid within thirty (30) days after it becomes due, bring an action at law against the Owner personally obligated to pay the assessment and/or foreclose the lien against such Lot.

(d) issue, or cause an appropriate officer of the Association to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be established by the Board of Directors for the issuance of such certificate. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment;

(e) procure and maintain adequate liability insurance covering the Association in an amount not less than \$1,000,000.00 and adequate hazard insurance on the real and personal property owned by the Association;

- (f) procure and maintain Directors' and officers' liability insurance;
- (g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (h) cause the Amenities Area and all facilities erected thereon and any portions of any Lot for which the Association has maintenance responsibility to be maintained;
- (i) if it deems necessary or if directed by the Members to do so, establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the improvements constructed on the Amenities Area or for which the Association is otherwise responsible;
- (j) provide such notices to and obtain such consents from the owners and holders of first deeds of trust on Lots within the Properties as is required by the Declaration or these Bylaws;
- (k) pay all ad valorem taxes and public assessments levied against the real and personal property owned in fee by the Association;
- (l) hold annual and special meetings and elections for the Board of Directors; and
- (m) prepare annual budgets and financial statements for the Association and make same available for inspection by the Members at all reasonable times.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President, who shall at all times be a member of the Board of Directors, a Vice President, a Secretary, a Treasurer, and such other officers as the Board may from time to time by resolution appoint.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Board 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 may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, 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.

Section 6. Vacancies. A vacancy in any office may be filled by the Board. The person appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. 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 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The President shall: preside at all meetings of the Board of Directors and of the Members; see that orders and resolutions of the Board are carried out; sign all leases, promissory notes, mortgages, deeds and other written instruments; and, in the absence of the Treasurer, sign all checks.

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

(c) Secretary. The Secretary shall: record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring a seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association and their addresses; and perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall: receive and deposit in appropriate bank accounts all funds of the Association and disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; issue, or cause to be issued, all requested certificates setting forth whether the assessments applicable to a specific Lot have been paid; cause an annual audit of the Association books to be made by an independent public accountant at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and, if directed by resolution of the Board of Directors, sign all checks of the Association.

ARTICLE IX

COMMITTEES

The Board of Directors of the Association may appoint a Nominating Committee as provided in Section 6 of Article V of these Bylaws. The Board of Directors may appoint such other committees as it deems necessary to carry out the affairs of the Association.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall, at all times during reasonable business hours, be subject to inspection by any Member or his agent following the provision of reasonable advance notice to the Association by any such Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in Article V of the Declaration, each Member owning a Class A Lot is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments that are not paid when due shall be delinquent. Any assessment not paid within ten (10) days after the due date shall incur a late charge of Ten Dollars (\$10.00), and, if not paid within thirty (30) days after the due date, shall bear interest from the due date at the lesser of (i) a rate of eight (8%) percent per annum, or (ii) the rate established by the Board of Directors at the beginning of the applicable fiscal year. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot for which such assessment is due. Interest, late payment charges, costs and reasonable attorney's fees of any such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Amenities Area or by abandonment of his Lot.

ARTICLE XII

MISCELLANEOUS

Section 1. Corporate Seal. The Association shall have a seal in a circular form having within its circumference the words: VILLAGE GREEN RECREATION ASSOCIATION, INC.; and such seal, as impressed in, the margin hereof, is hereby adopted as the corporate seal of the Association.

(SEAL)

Section 2. Amendments. Except as otherwise provided herein, these Bylaws may be amended or repealed and new bylaws adopted at any regular or special meeting of the Board of Directors by the affirmative vote of a majority of the Directors then holding office.

These Bylaws may also be amended or repealed and new bylaws adopted at any regular or special meeting of the Members, by the affirmative vote of two-thirds (2/3) of the votes cast at such meeting, subject to normal quorum requirements, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

No bylaw adopted or amended by the Members shall be amended or repealed by the Board of Directors, except to such extent that such bylaw expressly authorizes its amendment or repeal by the Board of Directors.

Section 3. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 4. Indemnification.

(a) Any person who at any time is serving or has served as a Director, officer, employee or agent of the Association, or who is serving or has served in any such capacity at the request of the Association in any other corporation, partnership, joint venture, trust or other enterprise or, at the request of the Association, as a trustee or administrator under any employee benefit plan, shall be indemnified by the Association to the fullest extent permitted by law, including but not limited to indemnification against (i) reasonable expenses, including attorneys' fees actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Association, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (ii) reasonable payments made by him in satisfaction of any judgment, money decree, fine penalty or settlement for which he may become liable in any such action, suit or proceeding.

The Board of Directors of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by the provisions of this Section 4(a), including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and if required, giving notice to, and obtaining approval by, the Members of the Association.

Any person who at any time serves or has served in any of the aforesaid capacities for, on behalf of, or at the request of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided under this Section 4(a). Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of the Bylaw.

The indemnification provided for by this Section 4(a) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Declaration, the Articles of Incorporation, these Bylaws, and all related agreements or amendments thereto, or applicable law. The indemnification authorized by this Section shall apply to all present and future Directors, officers, employees, and agents of the Association and shall continue as to such persons who cease to be Directors, officers, employees or agents of the Association and shall inure to the benefit of the heirs and legal representatives of all such Persons.

(b) The Association shall have the power to purchase and maintain insurance on behalf of any person who is serving or has served as a Director, officer, employee or agent of the Association, or who is serving or has served in any such capacity at the request of the Association in any other corporation, partnership, joint venture, trust or other enterprise or, at the request of the Association, as a trustee or administrator under any employee benefit plan against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would otherwise have the power to indemnify him against such liability.

(c) In addition to the indemnification authorized under the provisions of Sections 4(a) and 4(b) of this Article XII, the Association, acting pursuant to a resolution adopted by its Board of Directors, may by contract agree to indemnify any person who at any time is serving or has served as a Director, officer, employee or agent of the Association, or in any such capacity at the request of the Association in any other corporation, partnership, joint venture, trust or other enterprises or, at the request of the Association, as a trustee or administrator under any employee benefit plan, against liability and reasonable litigation expenses, including attorneys' fees, arising out of his status as such or his activities in any of the foregoing capacities before or after the date on which the contract is executed; PROVIDED, HOWEVER, that the Association may not agree under any such contract to indemnify any such person against any liability or litigation expense he may incur in relation to matters as to which he shall have been adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason or willful misconduct in the performance of duty.

(d) Any repeal or modification of the foregoing provisions of this Section 4 shall not affect any rights or obligations then existing with respect to any state of facts then or therefore or thereafter brought based in whole or in part on any such state of facts.

(e) This Section is intended to provide indemnification solely for actions taken by a person in his/her capacity as an officer, Director, employee, or agent of the Association.

Nothing herein shall be deemed to provide indemnification to any person for any liability that may result from that person's ownership of property within the Properties.

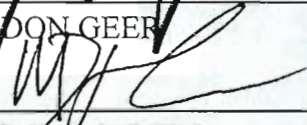
Section 5. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 6. Gender. Any use of the masculine gender in these Bylaws shall be construed to include the feminine gender. Any use of the singular shall be construed, as appropriate, to include the plural.

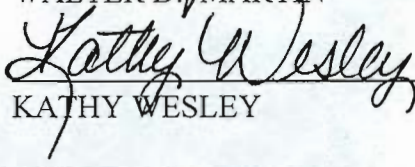
IN WITNESS WHEREOF, we, being all of the Directors of Village Green Recreation Association, Inc., hereunto set our hands this 4th of OCTOBER, 1999.



W. GORDON GEER



WALTER D. MARTIN



KATHY WESLEY

CERTIFICATION

The undersigned, does hereby certify:

That I am the duly elected and acting Secretary of the VILLAGE GREEN RECREATION ASSOCIATION, INC.

That the foregoing bylaws constitute the original Bylaws of the Association, as duly adopted at a meeting of the Board of Directors of the corporation, held on the 4th day of OCTOBER, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 4th day of OCTOBER, 1999.



Print Name: KATHY WESLEY