

BY-LAWS
OF
CYPRESS TOWNHOUSES HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Association is CYPRESS TOWNHOUSES HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located within Tract 42956 in Los Angeles County, California, or at a meeting place as close thereto as possible.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to CYPRESS TOWNHOUSES HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Development" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property managed and controlled by the Association for the common use and enjoyment of the owners.

Section 4. "Unit" shall mean and refer to the elements of a condominium that are not owned in common with the owners of condominiums in the Development.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons, or entities, of fee simple title to any unit which is a part of the development; "owner" shall include contract purchasers of record but not those having an interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to CYPRESS TOWNHOUSES, a Limited Partnership, its successors and assigns if such successors or assigns should acquire more than one undeveloped unit from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the Office of the County Recorder of said County.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Qualifications. Each owner of a unit shall be a member of the Association and be entitled to one vote for each unit owned. If a given unit is owned by more than one owner, all such owners shall be members of the Association; provided, however, that for the purpose of representation of such unit with regard to the affairs of the Association and the voting of the members of the Association, such unit shall be represented by and entitled to only one (1) vote which shall be exercised and cast in accordance with the provisions of these By-Laws. Ownership of a unit within the project shall be the sole qualification for membership in the Association.

Section 2. Transfer of Membership. The Association membership of each owner shall be appurtenant to the unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title of said unit and then only to the transferee of title to said unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

Section 3. Voting Rights. Each unit, regardless of the number of owners thereof, shall be represented in the Association by only one (1) vote which may be cast only as a unit by the owner or owners thereof. Whenever these By-Laws or the Declaration require the vote, assent or presence of a stated number of owners or members entitled to vote on a matter or at a meeting with regard to the taking of any action or any other matter whatsoever, the provisions of this Article III and Section 2 of Article V shall govern as to the total number of available votes, the number of votes an owner is entitled to cast at the meeting, and the manner in which the vote attributable to a unit having more than one owner shall be cast.

Section 4. Joint Owner Disputes. The vote for each such unit may be cast only as a unit, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any owner or owners cast a vote representing a certain unit, it will be thereafter conclusively presumed for all purposes that he or they were acting with the authority and consent of all other owners of the same unit. In the event more than one is cast for a particular unit, none of said votes shall be counted and all of said votes shall be deemed void.

Section 5. Members' Rights and Duties. Each member shall have the rights, duties, and obligations set forth in these By-Laws and the Declaration, as the same may be amended from time to time.

Section 6. Cumulative Voting. In any election of the Board of Directors of the Association (the "Board"), in which more than two positions on the Board are filled, the vote attributable to a given unit may be cumulated by the owner or owners thereof entitled to cast such vote so as to give one candidate, or divide among any number of candidates, a number of votes, up to the number of Board members to be elected, provided that the candidate's name has been placed in nomination prior to voting and if the member has given notice at the meeting prior to the voting of his intention to cumulate votes. If any one member has given such notice, then all members will be entitled to cumulate their votes for candidates. The candidates receiving the highest number of votes, up to the number of Board members to be elected shall be deemed elected. Voting for the Board of Directors shall be by secret written ballot.

ARTICLE IV

MEMBERSHIP ASSESSMENTS AND LIEN RIGHTS

Section 1. Membership Assessments. All assessments of the members provided for in the Declaration shall be paid by the members at the times, in the manner, and subject to the conditions and limitations set forth in the Declaration, and the Board shall fix, levy, collect, and enforce such assessments at the time, manner, and subject to the limitations in the Declaration.

Section 2. Enforcement, Lien Rights. In order to enforce and collect assessments, this Association shall have the lien rights set forth in the Declaration, which shall be enforceable in the manner set forth in the Declaration, and shall have and be entitled to exercise all other rights and remedies set forth in the Declaration or otherwise provided for at law or in equity.

ARTICLE V

MEMBERSHIP RIGHTS AND PRIVILEGES

Section 1. Rights and Privileges of Members. No member shall have the right, without the prior approval of the Board to exercise any of the powers or to perform any of the acts by these By-Laws or the Declaration delegated to the Board or the Association, but shall have all of the rights and privileges including, but not limited to, property rights and rights of access to and over, and use and enjoyment of the common area granted to the members or owners by these By-Laws or the Declaration subject to such limitations as may be imposed in accordance therewith.

Section 2. Suspension of Voting Rights. The Board shall have the right to suspend the voting rights of any member or members of this Association for the period during which any assessment against the unit owned by such member or members and giving rise to such membership remains unpaid and delinquent. The Board shall also have the right to suspend such voting rights for a period not to exceed thirty (30) days for any infraction of the rules and regulations of the Association adopted by the Board committed by any owner of the particular unit giving rise to the voting rights being suspended, his servants, quests, tenants, invitees or the members of his family. Any suspension of voting rights shall not be imposed unless the procedures for notice and hearing satisfying the minimum requirements of Corporations Code Section 7341 are followed with respect to the accused member or members before a decision to suspend voting rights is reached.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of the members shall be held withing the properties or at a meeting place as close thereto as possible. Unless unusual conditions exist, members' meetings shall not be held outside of Los Angeles County.

Section 2. Annual Meetings of Members. The annual meeting of members shall be held on the second Monday of January of each year commencing with the year immediately following the year during which the organization meeting as hereinafter provided for is held, provided, however, that should said day fall upon a legal holiday, then any such annual meeting of members shall be held at the same time and

place on the next day thereafter ensuing which is not a legal holiday. The first meeting shall be held within forty-five (45) days after the (i) recordation of deeds evidencing the conveyance by Declarant as that term is used in the Declaration of seven (7) units within the project (and authorized for sale under the first Public Report for the Development), or (ii) the expiration of six (6) months following the recordation of a deed evidencing the initial sale and conveyance by the Declarant of a unit within the project, whichever first occurs. At the organization meeting, and at all subsequent annual meetings, there shall be elected by secret written ballot of the members a Board of Directors in accordance with the requirements of these By-Laws.

Written notice of both the organization meeting and each annual meeting shall be given to each member by the Secretary or, in the case of the organization meeting only, by the Declarant, either personally or by sending a copy of the notice by mail or by telegraph, charges prepaid, to the address of any unit in the project owned by him, in whole or in part, or to any other address last furnished by him in writing to the Board, and shall be deemed received seventy-two (72) hours after being so telegraphed or mailed. All such notices of any organization or annual meeting shall be sent to each regular member not less than ten (10) days and not more than thirty (30) days before such meeting and shall specify the place, the date and the hour of such meeting.

Section 3. Special Meetings. Special meetings of members, for any purpose or purposes whatsoever, shall be called at any time by the President or by the Board of Directors, or by the vote for such a meeting by a majority of a quorum of the Board of Directors; or by receipt of a written request therefor signed by members representing not less than five percent (5%) of the total voting power of the Association; provided that no special meetings may be held or called prior to the organization meeting. Except in special cases where other express provision is made by statute, these By-Laws, or the Declaration, notice of such special meetings shall be given in the same manner as for annual meetings of members and may be given by any person or persons entitled to call such meetings. Notices of any special meeting shall specify in addition to place, day, and hour of such meeting, the general nature of the business to be transacted.

Section 4. Adjourned Meetings and Notice Thereof. Any membership meeting, organization, annual or special, whether or not a quorum is present, may be adjourned from time to

time by the affirmative vote of a majority of the votes entitled to be cast and represented at such meeting in person or by proxy, but in the absence of a quorum, no other business may be transacted at any such meeting unless these By-Laws or the Declaration otherwise provides.

If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the reconvening of the adjourned meeting shall be given as in the case of the original meeting so adjourned.

Section 5. Quorum. The presence whether in person or by proxy at a meeting of members representing and entitled to cast at least fifty percent (50%) of the total votes, i.e., the number of unit owners in the project minus the number of unit owners as to which voting rights are suspended in accordance with these By-Laws at the time of the subject meeting (the "total votes") shall constitute a quorum for any action by the members, unless a different requirement is imposed by these By-Laws or the Declaration, and a majority of the total votes present at a meeting at which a quorum is present shall prevail at such meeting unless a different percentage is required by these By-Laws or the Declaration. Subject to the provisions of Section 4 of this Article VI and unless otherwise expressly authorized by these By-Laws or the Declaration, all action required or permitted to be taken by the members of the Association may be taken only at a duly called and properly noticed organization, annual, or special meeting at which a quorum is present. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members so that less than a quorum is present, and the members then remaining and entitled to cast votes at such meeting shall constitute a quorum in connection with the conducting of such business prior to adjournment. If any meeting cannot be held because a quorum is not present, a majority of members present either in person or by proxy and entitled to vote, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called at which meeting the quorum requirement shall be twenty-five percent (25%) of the total votes. If at such adjourned meeting a quorum is not present, a majority of the members present, either in person or by proxy, entitled to vote at such meeting, may adjourn the meeting to a time not greater than seventy-two (72) hours from the time of the adjourned meeting, at which meeting the quorum requirement shall be twenty-five percent (25%) of the total votes. If a time and place for the adjourned

meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

Section 6. Consent of Absentees. The transactions of any meeting members, either organization, annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote and not present in person or by proxy, signs a written waiver of notice, or a consent of the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the meeting.

Section 7. Action Without Meeting. Any action which may be taken by the vote of members at regular or special meeting, except the election of governing body members where cumulative voting is a requirement, may be taken without a meeting if done in compliance with the provisions of Section 7513 of the California Corporations Code (approval by written ballot).

Section 8. Proxies. Every person entitled to vote or execute consents shall have the right to so do either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the Association prior to the commencement of the meeting at which the proxy is to be exercised. Each proxy shall be revocable by the person granting it by announcing its revocation to the Secretary of the meeting at which it would otherwise be exercised prior to the exercise thereof and shall automatically cease upon sale or conveyance of his interest in his unit by the person granting the proxy.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nomination Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall 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. 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. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by written secret ballot. At such election the members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is required as specified in Section 5.2.3 of the Declaration.

Section 3. Special Election Procedure. At any election in which the majority of the voting power of the Association resides with Declarant, the Declarant shall be allowed to vote for all but one office of the Board of Directors, to insure the election of one Board member by the owners, other than the Declarant. This procedure shall be limited to the election of only one Board member and shall be subject to all other provisions of these By-Laws and the Declaration.

ARTICLE VIII

DIRECTORS

Section 1. Number, Qualifications, Term of Office. The affairs of the Association shall be managed by a Board of five (5) directors who need not be members of the Association. At the organization meeting and at each annual meeting of the members thereafter, the members shall elect five (5) directors who shall serve concurrent one year terms.

Section 2. Removal and Vacancies. The entire Board may be removed from office, with or without cause at any duly called, noticed, and held annual or special meeting of the members, at which a quorum is present by a majority of the members present at such meeting either in person or by proxy, and entitled to vote. Unless the entire Board is removed from office by the vote of Association members, no individual director shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the most recent election of the Board were then being elected. A Board member of the Association who has been elected to office under Article VII, Section 3 of these By-Laws (by the votes

of members of the Association other than the subdivider) may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in members other than the Declarant. The vacancy created when a Board member is so removed may only be filled by the Board with the vote or written assent of (1) a majority of the total voting power of the membership and (2) a majority of members other than Declarant. Other vacancies in the Board of Directors may be filled by a majority of the remaining directors, or by the members at a duly called special meeting and each director so elected shall hold office until his successor is elected at an annual meeting of members or at a special meeting duly called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation or removal of any director, or if the members shall increase the authorized number of directors but shall fail at a meeting at which such increase is authorized or at any adjournment thereof to elect the additional director so provided for, or in case the members fail at any time to elect the full number of authorized directors. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board shall have the power to elect a successor to take office when the resignation shall become effective.

Section 3. Place of Meeting. All meetings of the Board of Directors shall be held at a time and at a place within the subdivision, fixed by the Board of Directors from time to time by resolution of the Board of Directors or by written consent of all the members of the Board. Notice of the time and place of such meetings shall be posted at a prominent place or places within the common area, not less than 96 hours before the meeting.

Section 4. Organization Meeting of the Board. Immediately following the organization meeting and each annual meeting of members, the Board of Directors shall hold a regular meeting at the same place for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 5. Other Regular Meetings. Other regular meetings of the Board of Directors shall be held without call monthly on the first Wednesday of each month at 8:00 p.m., at such place within the Development as may be designated by the Board from time to time; provided that the Board may, by resolution communicated to each Board member at least 96 hours in advance, change the day, hour and/or place for the holding of such meeting, provided further, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next Wednesday thereafter

which is not a legal holiday. Notice of a regular meeting need not be given to any Board member who has signed a waiver of notice or a written consent to the holding of the meeting. Regular and special meetings of the Board of Directors shall be open to all members provided, however, that members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board of Directors may, with the approval of the majority of a quorum of members, adjourn a meeting to reconvene in executive session to discuss and to vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6. Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by written notice signed by the President, or if he is absent or unable or refuses to act, by any Vice-President or by any two (2) directors. Written notice of the time and place of the meeting and the nature of any special business to be considered shall be given to each director at least seventy-two (72) hours prior to the date of such meeting and shall be delivered personally to the directors or sent to each director by letter or by telegram, charges prepaid, addressed to him either at his address as it is shown upon the records of the Association or, at the address of any unit in the project owned by him, or if he does not own a unit, or his address is not shown on the records of the Association or is not otherwise readily ascertainable, at the place at which the meetings of the Board are regularly held. In case such notice is mailed or telegraphed, it shall be deemed given and received seventy-two (72) hours after being so deposited in the United States mail or so delivered to the telegraph company in Los Angeles County. Notice of the meeting need not be given to any director who signed a waiver of notice or a written consent to holding of the meeting.

Section 7. Quorum Requirement, Waiver of Notice. The transaction of any business at any meeting of the Board of Directors required by law, or according to these By-Laws or the Declaration may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as a unanimous vote of such directors, provided that if the Board resolves by unanimous written consent to take

action, an explanation of said action shall be posted at a prominent place or places within the Common Area within three (3) days after the written consents of all Directors have been obtained.

Section 8. Quorum. A majority of the Board of Directors shall constitute a quorum thereof. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present, shall be regarded as the act of the Board of Directors, unless the provisions of these By-Laws or the Declaration shall require or permit the particular action involved to be taken by the Board under other circumstances.

Section 9. Notice of Adjournment. Notice of adjournment of any directors' meeting, either regular or special, need not be given to absent directors, if the time and place are fixed at the meeting adjourned.

Section 10. Adjournment. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided however, that in the absence of a quorum a majority of the directors present at the directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 11. Entry of Notice. Whenever any director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be made.

Section 12. Compensation. No director of the Association shall receive any salary or compensation for services rendered as a director or officer of the Association except as provided in Section 4.3.3.3 of the Declaration. Nothing herein shall preclude any director from serving the Association in any capacity other than as an officer or a director and receiving compensation therefor as authorized and approved by the Board. Any director receiving any special compensation for services in such other capacity shall be excluded from deliberations and voting by the Board relative to the authorization thereof and fixing compensation with regard thereto.

Section 13. Executive Committee. The Board of Directors shall have the power to appoint all Executive Committees and to delegate to such committees any of the powers and authority of the Board in the management of the business and affairs of the Association except the power to adopt, amend, or repeal the By-Laws. The Executive Committee shall be composed of three (3) or more directors, one of whom shall also be the President.

Section 14. Powers. Subject to the limitations of the By-Laws and the Declaration as to action required to be taken, authorized, or approved by the members of the Association, or a portion or percentage thereof, all Association powers and duties including those set forth in the Declaration shall be exercised by, or under the authority of, the Board of Directors, and the business and affairs of the Association shall be controlled by the Board. Without limiting the generality of the foregoing, the Board shall:

Powers: (a) Adopt and publish rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof.

(b) Suspend the voting rights and right to the use of the common area facilities of a member during any period which such member shall be in default in the payment of any assessment levied by the Association, as provided in §4.3.1.2 of the Declaration and Article V, Section 2 of these By-laws.

(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 By-Laws or the Declaration.

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 15. Duties. It shall be the responsibility of the Board to carry out the following obligations:

Duties: (a) Cause to be kept a complete record of all its acts and 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.

(b) Elect the Association's officers; fill vacancies on the Board except for a vacancy created by a director's removal; supervise all officers, agents and employees of this Association, and insure 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 unit at least thirty (30) days in advance of each annual assessment period;

2. Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period, and

3. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any interested 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 and hazard insurance on property owned by the Association.

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may be deemed appropriate.

(g) Cause the common area to be maintained.

(h) Cause the exterior of the dwellings to be maintained as outlined in the Declaration.

(i) Pay or cause to be paid taxes and assessments which are or could become, a lien on the common area or a portion thereof.

(j) Contract for goods and/or services for the common area, facilities and interest or for the Association subject to the limitations set forth in Section 16.

Section 16. Limitations. The Board of Directors of the Association shall be prohibited from taking any of the following actions, except with the vote or written assent of (1) a majority of the total voting power of the membership and (2) a majority of members other than Declarant:

(a) Entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the Association for a term longer than one year with the following exceptions:

1. A management contract, the terms of which have been approved by the Federal Housing Administration or Veteran's Administration.

2. A contract with a public utility company if the rates charged for materials or services are regulated by the Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

3. Prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits short rate cancellation by the insured.

(b) Incurring aggregate expenditures for capital improvements to the common area in any fiscal year in excess of five percent (5%) of the budgeted gross expense of the Association for that fiscal year.

(c) Selling during any fiscal year property of the Association having aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for the fiscal year.

(d) Filling of a vacancy on the Board created by the removal of a director.

Section 17. Budgets and Financial Statements. The Secretary and/or the Treasurer, as determined by the President, shall prepare and distribute financial statements for the Association to each member of the Association as specified in Sections 4.6, 4.6.1, 4.6.2, 4.6.3 and 4.6.4 in the Declaration.

ARTICLE IX

OFFICERS

Section 1. Enumeration of Officers. The officers of the Association shall be a President, Vice-President, a Secretary and Treasurer and such other officers as the Board of Directors may deem necessary. Any person may hold more than one office, provided that no one person may be both President and Secretary of this Association. The President, VicePresident, and Secretary shall be members of the Board of Directors. No officer need be a member of the Association.

Section 2. Election. The officers shall be chosen by a majority vote of the directors. The Treasurer may be, but need not be a member of the Board.

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 he shall sooner resign, or shall be removed or 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 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 time later 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 appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. 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 specified offices created pursuant to Section 4 of this Article.

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

President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

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.

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as are required by the Board.

Treasurer: The Treasurer 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; shall sign all checks and promissory notes of the Association; and keep and distribute proper books of account, all according to Sections 4.6, 4.6.1, 4.6.2, 4.6.3, and 4.6.4 of the Declaration.

ARTICLE X

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

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. The Declaration and the By-Laws 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 XII

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum legal rate of interest, as the same may vary during the continuance of delinquency, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his unit.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of both a majority of a quorum of members present in person or by proxy and a majority of the votes of members other than the Declarant, provided that any provision herein which requires a greater percentage of voting power for action thereunder may be amended only by the same percentage of voting power.

Section 2. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

Section 1. 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 day the Articles of Association are recorded.

Section 2. Checks, Drafts, Etc. All checks, drafts, or other order for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association shall be signed or endorsed by such persons and in such manner as decreed by the Board of Directors.

Section 3. Contracts, Etc. How Executed. The Board of Directors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have the power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

IN WITNESS WHEREOF, we, being all of the directors of CYPRESS TOWNHOUSES HOMEOWNERS ASSOCIATION have hereunto set our hands this 3/5th day of August, 1982.


JOHN E. PLOUFFE


JOHN POXON


MARK M. O'BRIEN