

effects in the name and to the credit of the Maintenance Association in such depositories as the Board designates, (c) disburse the Maintenance Association's funds as ordered by the Board, in accordance with the Declaration, (d) render to the President and Directors, upon request, an account of all transactions as Treasurer and of the Maintenance Association's financial condition, and (e) have such other powers and perform such other duties prescribed by the Board and these Bylaws.

ARTICLE VI

6. Obligations of Members.

6.1. Assessments.

All Members must pay, in accordance with the Declaration, all assessments imposed by the Maintenance Association, to meet all Common Expenses. All delinquent assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration.

6.2. Maintenance and Repair.

6.2.1. Members' Obligations. Every Member must perform promptly, at his or her sole cost, all maintenance and repair work on the Member's Lot or Condominium, as required by the Declaration and any applicable Project Declaration. As further provided in the Declaration, and subject to the exemption of Declarant and the Merchant Builders, all plans for Construction Activities on the Residential Area of the Properties must receive the prior written consent of the Architectural Committee. The Architectural Committee shall adhere to the Architectural Committee Rules when granting such approvals, in accordance with the Declaration.

6.2.2. Damages by Members. As further provided in the Declaration, each Member shall reimburse the Maintenance Association for any expenditures incurred in repairing or replacing any portion of the Maintenance Property or other properties owned or controlled by the Maintenance Association, which are damaged through such Member's willful misconduct or negligence. Such expenditures shall include all court costs and reasonable attorneys' fees incurred in enforcing any provision of the Restrictions.

ARTICLE VII

7. Amendments to Bylaws.

7.1. Vote of Delegates.

These Bylaws may be amended by the vote of Delegates representing at least fifty-one percent (51%) of the Maintenance Association voting power; provided that the specified percentage of the Delegates necessary to amend a specific Section or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that Section

or provision. Notwithstanding the foregoing, these Bylaws may be amended by a majority of the entire Board, at any time prior to the first Close of Escrow for the sale of a Lot or Condominium to a purchaser from Declarant or a Merchant Builder pursuant to a transaction requiring issuance of a Final Subdivision Public Report by the DRE. If Declarant or a Merchant Builder have obtained a VA or FHA "project approval" (as defined in Section 2.3.6 of the Declaration), then so long as Declarant and any Merchant Builders have effective voting control of the Maintenance Association any amendment to these Bylaws must also be approved by VA, FHA or both, as applicable.

7.2. Additional Consents.

Article II, Sections 3.1, 4.1, 4.2, 4.3, 4.4, 4.6, 4.7, 4.8 and Article VII of these Bylaws may not be amended without the written consent of Declarant until the later to occur of (i) the expiration of Declarant's right to add Annexable Area to the Properties without the vote of the Delegates pursuant to Article II of the Declaration, or (ii) the date on which neither Declarant nor Merchant Builders own a Lot or Condominium in the Properties. Before any material amendment to these Bylaws affecting matters delineated in Sections 9.2, 9.3, 12.2.3 or 12.3 of the Declaration is effective, such amendment must be approved by the same percentage of Beneficiaries of first Mortgages as specified in the Declaration section which would be affected by such amendment, and this sentence may not be amended without such prior written approval. Notwithstanding the foregoing, if a first Mortgagee who receives a written request from the Board to approve a proposed amendment or amendments to the Bylaws does not deliver a negative response to the Board within thirty (30) days of the mailing of such request by the Board, such first Mortgagee shall be deemed to have approved the proposed amendment or amendments.

ARTICLE VIII

8. Mortgagees.

8.1. Notice to Maintenance Association.

Upon request, every Member who Mortgages a Lot or Condominium shall notify the Maintenance Association through the Manager, or through the Secretary if there is no Manager, of the name and address of the Member's Mortgagee. Upon request, Members shall notify the Maintenance Association of the release or discharge of any such Mortgage.