

BYLAWS OF THE DUNES HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

THE ASSOCIATION

Section 1.01 Name. The name of this Association shall be "The Dunes Homeowners' Association, Inc.," an Alabama nonprofit corporation (the "Association"), which has been formed pursuant to Articles of Incorporation (the "Articles") which have been filed for record in the Probate Office of Baldwin County, Alabama. The provisions of these Bylaws are expressly subject to the terms and provisions of those certain Covenants, Conditions and Restrictions including, but not limited to, the The Dunes Covenants, Conditions and Restrictions (the "The Dunes Covenants") and the Alabama Beach Mouse Protective Covenants for The Dunes (the "Beach Mouse Covenants") (which, collectively together with all subsequent amendments thereto, are hereinafter referred to as the "Covenants") which have been or will be recorded from time to time in the Probate Office of Baldwin County, Alabama. Capitalized terms not otherwise defined herein shall have the same meanings given to them in the Beach Mouse Covenants or if not defined therein, then in the The Dunes Covenants.

Section 1.02 Principal Office. The principal office of the Association in the State of Alabama shall be located at 307 Woodbridge Circle, Daphne, Alabama 36526. The Association may have such other offices either within or without the State of Alabama, as the board of the Association may designate from time to time.

Section 1.03 Registered Office. The registered office of the Association required by the Alabama Nonprofit Corporation Act to be maintained in the State of Alabama shall be the same as the principal office of the Association.

ARTICLE II

MEMBERS

Section 2.01 Membership. Each person who is the owner of any Lot or Dwelling within the Property shall be a member of the Association ("Member"). Declarant shall be deemed a Member and shall have one (1) vote for each Lot or Dwelling owned by Declarant within the Property. If a Lot or Dwelling is owned by more than one person and if only one of those persons is present at a meeting of the Association, that person shall be entitled to cast all votes pertaining to such Lot or Dwelling; provided, however, that if more than one of those persons is present, the votes pertaining thereto shall be cast only in accordance with their unanimous agreement, and, if no unanimous agreement is reached, the votes pertaining to such Lot or Dwelling shall be suspended. No owner, whether one or more persons, shall be entitled to more than one (1) vote per Lot or Dwelling owned. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot or Dwelling. As used in the Bylaws, "Member" shall mean an Owner, as defined in the Covenants. Notwithstanding anything provided herein or in the Articles to the contrary, for so long as Declarant owns any Lot, Unit, Dwelling or any other portion of the Development, or until such earlier date as Declarant, in its sole discretion, may otherwise elect, (a) Declarant shall have the sole and exclusive right to (i) elect the board of directors of the Association, (ii) appoint the officers of the Association and the members of the DBS, as defined in the Covenants, (iii) remove and replace any members of the board of directors of the Association, the officers of the Association, (iv) amend the Bylaws and the

Articles of Incorporation and (v) take all other action on behalf of the Association and vote on all other matters required to be voted on or approved by the Members of the Association. For so long as Declarant is the owner of any Lot, Dwelling or any other portion of the Development, or until such earlier date as Declarant, in its sole discretion, may otherwise elect, the Members of the Association shall not have any voting rights in the Association. The voting rights of any Member may be limited and suspended in accordance with the provisions of the Covenants.

Section 2.02 Annual Meeting. The annual meeting of the Members of the Association shall be held at 9:00 A.M. on the second Saturday of September each year beginning in 1997, or at such time or such other day within such month as shall be fixed by the Board. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the succeeding business day. At the annual meeting, the Members of the Association shall, subject to the terms of Sections 2.01 and 3.03 of these Bylaws, elect the Board, review the annual budget for the Association as provided in the Covenants, and otherwise transact such other business as may come before such meeting. If the election of directors of the Association shall not be held on the day designated herein for any annual meeting of the Members of the Association or any adjournment thereof, the Board shall cause the election to be held at a special meeting of the Members as soon thereafter as may be convenient.

Section 2.03 Special Meetings. Special meetings of Members of the Association, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president of the Association (the "President") or the Board and shall be called by the President or the secretary of the Association (the "Secretary") upon the petition of at least one-half (1/2) or more of the total votes in the Association.

Section 2.04 Place of Meeting. The Board of the Association may designate any place, either within or without the State of Alabama, as the place of meeting for any annual or special meeting. In the absence of any designation, all meetings shall be held at the principal office of the Association in the State of Alabama.

Section 2.05 Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, or of a meeting which is required by statute to be held for any special purpose, or of any annual meeting at which special action is to be taken, the purpose or purposes for which the meeting is called, or the special action which is proposed to be taken, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Board, the President, the Secretary, or the officer of persons calling the meeting, to each Member of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to such member at its address as it appears on the books of the Association, with postage thereon prepaid. If given personally, such notice shall be deemed to have been delivered to the Member of the Association upon delivery of the same to his Lot or Dwelling.

Section 2.06 Quorum. (a) With respect to annual meetings, the presence in person or by proxy of Members entitled to cast over fifty percent (50%) of all votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called after notice as provided in Section 2.05 but the required quorum at the subsequent meeting shall be the presence in person or by proxy of Members entitled to cast at least one-third (1/3) of the total votes of the Association. At such time as a quorum is obtained, the vote of a

majority of the Members that are voting in person or by proxy shall be required to approve any matter in which all of the Members of the Association are entitled to vote.

(b) With respect to all other meetings of the Members of the Association, there shall be no special requirement establishing a quorum and the vote of a majority of the Members who are voting in person or by proxy at any such special meeting shall be binding on all of the Members of the Association.

(c) The Members of the Association present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 2.07 Proxies. At all meetings of the Members, a Member may vote either in person or by proxy executed in writing by the Member or by his or her duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after one year from the date of its execution, unless otherwise provided in the proxy.

Section 2.08 Voting by Members. Subject to the provisions of Sections 2.01 and 3.03 of the Bylaws, each Member shall be entitled to one (1) vote for each Lot or Dwelling within the Development owned by such Member. No fractional voting shall be permitted. When more than one person is the Owner of a Lot or Dwelling, the provisions of Section 2.01 of the Bylaws shall be applicable to the exercise of such voting rights. For purposes of the Bylaws, the Articles of Incorporation and the Covenants, the vote of a "majority" of the Members shall mean the vote of more than fifty percent (50%) of the total number of votes represented at a meeting, whether in person or by proxy. Unless a greater proportion is specified in the Bylaws, the Articles of Incorporation or the Covenants and, subject to the terms and provisions of Section 2.01 and 3.03 of the Bylaws, any matter which requires the vote of, approval, disapproval or consent of the members of the Master Association shall be deemed to have been given if a "majority" of the Members represented at a meeting, either in person or by proxy, affirmatively vote for, approve, disapprove or consent to the same.

Section 2.09 Informal Action by Members. Any action required or permitted to 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, shall be signed by all such members entitled to vote with respect to the subject matter thereof.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01 General Powers. The business and affairs of the Association shall be managed by or under the direction of its Board.

Section 3.02 Number, Tenure and Qualifications. The number of directors of the Association shall be no less than three (3) nor more than seven (7). The initial number of directors shall be three (3). Each director shall hold office until his or her successor shall have been elected and qualified. Such directors need not be Members or residents of the State of Alabama.

Section 3.03 Election, Removal and Replacement of Directors.

(a) For so long as Declarant owns any Lot, Unit, Dwelling or any other portion of the Development, or until such earlier date as Declarant, in its sole discretion, may otherwise elect,

(i) all of the members of the Board shall be elected by Declarant and (ii) Declarant shall have the right at any time and from time to time to remove any director, either with or without cause, and may appoint a successor to such removed director or otherwise fill any vacancies on the Board without any consent or approval of any of the Members.

(b) At such time as Declarant no longer owns any Lot, Unit, Dwelling or any other portion of the Development, or until such earlier date as Declarant, in its sole discretion, may otherwise elect, by majority vote, new members of the Board as provided in the Covenants. Thereafter, the Members, by affirmative majority vote, shall (i) elect the members of the Board at the annual meeting of the Members and (ii) have the right to remove either with or without cause, at any time or from time to time, any or the members of the Board and appoint a successor to such removed director. There shall be no cumulative voting by the Members.

Section 3.04 Regular Meetings. A regular meeting of the Board shall be held without further notice than this Bylaw, immediately after and at the same place as the annual meeting of the members; provided, however, that any such regular meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings, or in a consent and waiver of notice thereof, signed by all directors of the Master Association. The board of directors of the Master Association may provide, by resolution, the time and place, either within or without the State of Alabama, for the holding of additional regular meetings without other notice than such resolution.

Section 3.05 Special Meetings. Special meetings of the Board may be called by or at the request of the President, any vice president ("Vice President") or any two (2) directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Alabama, as the place for holding any special meetings called by them.

Section 3.06 Notice. Notice of any special meeting shall be given either (a) by written notice at least 48 hours in advance of such meeting, delivered in person or by leaving such notice at the place of business or residence of each director, or by depositing such notice in the United States mail, postage prepaid, addressed to any such director at his or her address as it appears on the records of the Association; (b) verbally in person or by telephone at least 24 hours in advance or such meeting by communication with any such director in person or by telephone; or (c) by telegram delivered to the telegraph company at least 24 hours in advance of such meeting. Any director may waive notice of any meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver or notice of such meeting.

Section 3.07 Quorum. A majority of the number of directors fixed by Section 3.02 of these Bylaws shall constitute a quorum for the transaction or business at any meeting of such Board, but if less than such majority is present at a meeting, a majority of such directors present may adjourn the meeting from time to time without further notice. If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by a vote of the majority of the quorum as fixed above, until adjournment, notwithstanding the withdrawal of enough such directors to leave less than a quorum as fixed above, or the refusal of any such director present to vote.

Section 3.08 Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number

is required by statute, the Articles of Incorporation or these Bylaws.

Section 3.09 Action without Meeting. Any action required or permitted to be taken may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors.

Section 3.10 Vacancies. For so long as Declarant owns any Lot, Unit, Dwelling or any other portion of the Development, or until such earlier date as Declarant, in its sole discretion, may otherwise elect, any vacancy occurring in the Board shall be filled by Declarant as provided in Section 3.03(a), above. At such time as Declarant no longer owns any Lot, Unit, Dwelling or any other portion of the Development, or until such earlier date as Declarant, in its sole discretion, may otherwise elect, any vacancy occurring in Board, other than a vacancy occurring by reason of a director's removal, pursuant to Section 3.03(b) of the Bylaws, may be filled by the affirmative vote of a majority of the remaining directors. In the event that there are no remaining directors, then the vacancy or vacancies occurring in the Board shall be filled by the affirmative vote of the majority of the Members. A director elected or appointed to fill a vacancy shall be elected to serve for the unexpired term of his or her predecessor in office.

Section 3.11 Compensation. By resolution of the Board, each director may be paid his or her expenses, if any, of attendance at each meeting of the Board. No such payment shall preclude any director from serving the Association in any other capacity and receiving compensation therefor.

Section 3.12 Committees. The Board, by resolution adopted by a majority of the full Board, may designate from among its members one or more committees, each committee to consist of one or more of the directors and each or which committees, to the extent provided in such resolution, shall have and may during intervals between the meetings of the Board, exercise all the authority of the Board, except that no such committee shall have the authority of the Board in reference to issuing capital stock, amending the Articles of Incorporation, adopting a plan of merger or consolidation, filling vacancies in the Board or amending the Bylaws. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed upon it, him or her by law.

Section 3.13 Resignation. Any director may resign at any time either by oral tender of resignation at any meeting of the Master Association board of directors or by giving written notice thereof to the Secretary. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.14 Participation in Meetings by Conference Telephone. Members of the Board or any committee designated thereby may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at such meeting.

ARTICLE IV

OFFICERS

Section 4.01 Principal Officers. The principal officers of the Association shall be elected by the Board and shall include a President, one or more Vice Presidents, a Secretary and a treasurer ("Treasurer") and may, at the discretion of the Board, also include a Chairman of the Board and such other officers as may be designated from time to time. Any number of offices may be held by the same person, except the offices of President and Secretary. None of the principal officers need be directors of the Association.

Section 4.02 Election of Principal Officers; Term of Office. The principal officers of the Association shall be elected annually by the Board at the first meeting of the Board held after each meeting of the members. If the election of principal officers of the Master Association shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each such principal officer shall hold office until his or her successor shall have been duly elected and qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. If the Board shall fail to fill any principal office at an annual meeting, or if any vacancy in any principal office shall occur, or if any principal office shall be newly created, such principal office may be filled at any regular or special meeting of such board.

Section 4.03 Subordinate Officers, Agents and Employees. In addition to the principal officers, the Association may have such other subordinate officers, agents and employees as the Board may deem advisable each of whom shall hold office for such period and have such authority and perform such duties as the Board, any Chairman of the Board, the President or any officer designated by the Board, may from time to time determine. The Board at any time may appoint and remove, or may delegate to any principal officer the power to appoint and to remove, any subordinate officer, agent or employee of the Association.

Section 4.04 Delegation of Duties of Officers. The Board may delegate the duties and powers of any officer of the Association to any other officer or to any director for a specified period of time for any reason that such board of directors may deem sufficient.

Section 4.05 Removal of Officers or Agents. Any officer or agent of the Master Association may be removed by the Master Association board of directors at any time, either with or without cause, and such board of directors may appoint a successor to such removed officer and agent. Election or appointment of any officer or agent shall not of itself create contract rights.

Section 4.06 Resignations. Any officer of the Association may resign at any time by giving written notice of resignation to the Board, to any Chairman of the Board, to the President or to the Secretary. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make the resignation effective.

Section 4.07 Vacancies. A vacancy in the office, the holder of which is elected or appointed by the Board, because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term or such office. A vacancy in any other office for any reason shall be filled by the Board, or any committee, or officer to whom

authority for the appointment, removal or filling of vacancies may have been delegated by these Bylaws or by resolution of the Board.

Section 4.08 Chairman of the Board. The Chairman of the Board, who must be a Member of the Board, shall preside at all meetings of the Members and of the Board at which he or she is present. Any Chairman of the Board shall have such other powers and perform such other duties as may be assigned to him or her from time to time by the Board.

Section 4.09 President. The President shall, in the absence of the Chairman of the Board, preside at all meetings of the Members and of the Board at which he or she is present. The President shall be the chief executive officer of the Association and, subject to the control of the Board, shall have general supervision over the business and affairs of the Association. The President shall have all powers and duties usually incident to the office of the President except as specifically limited by resolution of the Board. The President shall have such other powers and perform such other duties as may be assigned to him or her from time to time by the Board.

Section 4.10 Vice Presidents. In the absence or disability of the President of the Association or if the office of such President be vacant, the Vice President, in the order determined by the Board, or if no such determination has been made, in the order of seniority, shall perform the duties and exercise the powers of such President, subject to the right of the Board at any time to extend or confine such power and duties or to assign them to others. Any Vice President of the Association may have such additional designation in his or her title as the Board may determine. Each Vice President shall generally assist the Association President in such manner as such President shall direct. Each such Vice President shall have such other powers and perform such other duties as may be assigned to him or her from time to time by the Board or President.

Section 4.11 Secretary. The Secretary shall act as Secretary of all meetings of the Members and of the Board at which he or she is present, shall record all the proceedings of such meetings in a minute book to be kept for that purpose, shall have supervision over the giving and service of notices of the Association, and shall have supervision over the care and custody of the records and seal of the Association. Such Secretary shall be empowered to affix the corporate seal to documents, the execution of which on behalf of the Association under its seal is duly authorized, and when so affixed may attest the same. The Secretary shall have all powers and duties usually incident to the office of Secretary, except as specifically limited by a resolution of the Board. The Secretary shall have such other powers and perform such other duties as may be assigned to him or her from time to time by the Board or President.

Section 4.12 Treasurer. The Treasurer shall have general supervision over the care and custody of the funds and over the receipts and disbursements of the Association and shall cause the funds of the Association to be deposited in the name of the Association in such banks or other depositories as the Board may designate. The Treasurer shall have all powers and duties usually incident to the office of Treasurer except as specifically limited by a resolution of the Board. The Treasurer shall have such other powers and perform such other duties as may be assigned to him or her from time to time by the Board or President.

Section 4.13 Salaries. The officers of the Association shall not be entitled to any salaries or other compensation except for expenses incurred on behalf of the Association which shall be reimbursed.

ARTICLE V

FISCAL MATTERS AND BOOKS AND RECORDS

Section 5.01 Fidelity Bonds. The Board may require that any contractor or employee of the Association handling or responsible for Association funds furnish an adequate fidelity bond. The premium for any such bond may be paid by the Association and will constitute a Common Expense.

Section 5.02 Books and Records Kept by Master Association. The Association shall keep detailed, complete and accurate financial records, including itemized records of all receipts and disbursements, shall keep detailed minutes of the proceeds of all meetings of the Members and of the Board and committees having any of the authority of the Board, and shall keep such other books and records as may be required by law or necessary to reflect accurately the affairs and activities of the Association. The Association shall keep at the office of the Association a record giving the names and addresses of directors and all Members, which shall be furnished by each owner pursuant to Section 5.10 of the Bylaws.

Section 5.03 Inspection. The books, records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member or any such Member's agent or attorney for any proper purpose. True and correct copies of the Articles, the Bylaws, the Covenants, and all rules and regulations of the Association with all amendments thereto, shall be maintained at the principal registered office of the Association and copies thereof shall be furnished to any Member on request on payment of the reasonable charge thereof.

Section 5.04 Contracts. The Board may authorize any officer or officers, or agent or agents of the Association, in addition to the officers so authorized by the Covenants and the Bylaws, to enter into any contract or execute and deliver any instrument in the name of, or on behalf of the Association, and such authority may be general or confined to specific instances.

Section 5.05 Checks, Drafts, etc. All checks, drafts or order for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer, or officers, or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer.

Section 5.06 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

Section 5.07 Gifts. The Board may accept, on behalf of the Association, any contribution, gift, bequest or devise for the general purposes, or for any special purpose, of the Association.

Section 5.08 Fiscal Year. The fiscal year of the Association will be the calendar year.

Section 5.09 Annual Statements. Not later than four (4) months after the close of each fiscal year, the Board shall prepare or cause to be prepared a balance sheet showing in reasonable detail the financial condition of the Association as of the close of its fiscal year and, an income and expense statement showing the results of its operations during its fiscal year. Such statements may, in the discretion of the Board, be audited statements. Upon receipt of written request, the

Treasurer promptly shall mail to any Member copies of the most recent such balance sheet and income and expense statement on payment of the reasonable charge thereof.

Section 5.10 Notices. Each Member of the Association shall be obligated to furnish to the Secretary the address, if other than the Lot or Dwelling of such Member, to which any notice or demand to the Member under the Covenants or the Bylaws is to be given, and if no address shall have been designated all such notices and demands shall be mailed or delivered to such Lot or Dwelling.

Section 5.11 Payment of Taxes on Common Areas and Insurance Premiums. The Board shall, to the extent funds are available, cause payment to be made, in a timely manner, of all taxes assessed against the Common Areas or the Property and of all insurance premiums.

ARTICLES VI

INSURANCE

Section 6.01 Types of Coverage. The Association shall maintain in effect at all times as a Common Expense the types of insurance coverage required by the Covenants, any workmen's compensation or other insurance required by law, and such other insurance as the Board may from time to time deem appropriate. The Board shall review the amount and terms of such insurance annually.

ARTICLE VII

INDEMNIFICATION

Section 7.01 Indemnification. The Association shall, to the fullest extent permitted by applicable law, indemnify any person (and their heirs, executors and administrators of such person), who, by reason of the fact that the person is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, was or is a party or is threatened to be made a party to:

(a) any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals, (other than an action by or in the right of the Association), against expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such claim, action, suit or proceeding; or

(b) any threatened, pending or completed claim, action, suit or proceeding by or in the right of the Association to procure a judgement in its favor, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action, suit or proceeding. Any indemnification by the Association pursuant hereto shall be made only in the manner and to extent authorized by the Articles and applicable law, and any such indemnification shall not be deemed exclusive of any other rights to which those seeking indemnification may otherwise be entitled.

Section 7.02 Indemnification Insurance. The Association shall have the power and authority to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any

such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under applicable law.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01 Waiver of Notice. Whenever any notice is required to be given under any provisions of law, the Articles, or the Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members of the Association, the Board or members of a committee of directors need be specified in any written waiver of notice unless otherwise required by the Bylaws. Attendance of a director at a meeting of the Board shall constitute a waiver of notice of such meeting, except where any such director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 8.02 Incorporation by Reference. All of the terms, provisions, definitions, covenants and conditions set forth in the Covenants are hereby expressly incorporated herein by reference as is fully set forth herein. In the event of any conflict or ambiguity between the terms, provisions, definitions, covenants and conditions set forth herein in these Bylaws and in the Covenants, then the provisions of the Covenants shall at all times control. In the event of any conflict or ambiguity between the terms, provisions, definitions, covenants and conditions set forth herein in these Bylaws and in the Articles, then the provisions of the Articles, shall at all times control.

Section 8.03 Power of Directors to Amend. The Board shall have the right, power and authority to alter, amend or repeal the Bylaws or adopt new Bylaws at any regular or special meeting of the Board. Furthermore, at such time as Declarant no longer owns any Lot, Unit, Dwelling or any other portion of the Development, or until such earlier date as Declarant, in its sole discretion, may otherwise elect, the Members of the Association, by the affirmative vote of at-least two thirds (2/3) of the total votes in the Association, may alter, amend, or repeal the Bylaws or adopt new Bylaws at any annual meeting or at a special meeting called for such purposes.

Section 8.04 Seal. The Board may, but shall not be obligated to, provide a corporate seal which shall be circular in form and have inscribed thereon the name of the Association, the state of incorporation and such other words as the Board may prescribe; provided, however, that the use of the seal of the Association on any contract or agreement shall not be required to evidence the validity, authenticity or approval of such contract or agreement.