

Deer Ridge HOA Annual Dues, Purpose of Restrictions

Hello Neighbors,

Enclosed are the annual dues for our neighborhood, which are used to keep our Front Entrance maintained by placement of pine straw, leaf removal and grass cutting. Also the light and water bill need to be paid. Note that our dues are a lot lower than most other neighborhoods of similar quality.

Note that If payment is not made by a particular HomeOwner, then a lien is placed against that home or lot. NOTE THAT THE HOME CANNOT BE REFINANCED OR SOLD UNTIL DUES ARE PAID. CLOSING AGENTS KNOW TO CALL OUR TREASURER TO CHECK FOR STATUS OF PAYMENTS.

Upholding our HOA restrictions is important in keeping the value of our homes high by having a more desirable neighborhood. Neighborhoods which have HOAs that enforce restrictions have been shown to have higher property values. When the board contacts a Homeowner about a violation, we are not trying to harass that Home Owner and are only trying to protect the value of the neighborhood for all HomeOwners.

Note that these Restrictions are not negotiable. It is not allowed for HomeOwner to not follow some restrictions just because they disagree with them. If we allow some Restrictions to be continually violated, this makes it much harder to enforce other more egregious violations. You would not want your neighbor to start a used car business, store wrecked vehicles, or install chicken coops in their front yard! If we don't enforce the minor Restrictions, then they will be able to get away with more major violations.

The Board has now agreed that we will step up enforcement of these restrictions. If compliance is not obtained, then we will pursue compliance in court. We appreciate your help in the compliance of these restrictions. All home owners will benefit by having a higher value of houses.

Summary of Most Violated Restrictions:

This is an abbreviated list and does not absolve anyone from following the other Restrictions that are in place. Each line includes a paragraph number location in the Restrictions.

- **GARBAGE CANS:** Should be placed inside the garage or containment. 3.08
- **VEHICLE PARKING:** Vehicles shall be parked ONLY in Owner's garage or driveway. No trailers, tractors/lawn mowers, campers, camper trailers, boats or other watercraft (like jet skis) shall be parked in DRIVEWAY/YARD. They must be housed in your garage or hidden from street view.. 3.13. Cars parked long term in the street pose a real danger to traffic.
- **ANIMALS:** Pet owners shall not allow pets to roam unattended. They must be leashed when off the owner's property. No Kennels. 3.11
- **MAILBOXES:** All mailboxes must have a functional photocell controlled powered top light. 3.20
- **LEASING/SUBLEASING:** Strictly prohibited. 3.26. Homes are single family dwellings, not rental rooms/apartments.
- **SIGNS:** No sign of any kind shall be placed on any Site except a "For Sale" sign on property itself. 3.10
- **DETACHED BUILDINGS/POOLS** shall not be placed on any home site without prior written consent of the DRHA Board. NO ABOVE GROUND POOLS. 3.05
- **FENCES/WALLS:** MUST BE APPROVED BY Board. Drawings must be presented and approved. 3.06
- **EXPOSED CONCRETE:** No exposed concrete on home or retaining wall is allowed. 3.19
- **LAWN CARE:** Owners are required to keep lawns and landscaping in neat and orderly condition. 3.07
- **VEGETABLE GARDENS:** Shall be planted to the REAR of any home – at least 25 feet from the nearest home site. 3.16
- **UNSIGHTLY CONDITIONS:** In the event that an Owner of a Home Site fails to maintain his Home site in a clean condition and repair, the Board may enter upon Home Site without liability and put said Home Site into a state of condition compliant with this Section, billing the cost of such work to the Owner. 3.09

If anyone is interested in being a board member or if you have any questions, contact Scott Kramer at scottk100@epbf.com. You can also access the Deer Ridge Facebook page "Deer Ridge - Ooltewah TN - Neighbors.

Bylaws of Deer Ridge Homeowners' Association, Inc.

ARTICLE I: PURPOSE

The purpose of Deer Ridge Homeowners' Association, Inc. (the "Association") is to preserve and enhance the value of the property and improve the quality of life in the Deer Ridge subdivision in the Community of Ooltewah, Tennessee ("Deer Ridge"). To this end, the Association may act to:

- (a) Assure that Deer Ridge properties are built and maintained in compliance with the "Restrictions for Deer Ridge Subdivision";
- (b) Support anti-crime activities;
- (c) Support neighborhood beautification activities and projects;
- (d) Communicate with the members of the Association by means of open meetings and letters.

ARTICLE II: NAME, PRINCIPAL OFFICE AND REGISTERED AGENT

Section 1. The name of the Association is "Deer Ridge Homeowners' Association, Inc."

Section 2. The principal office of the Association shall be located in Ooltewah, Tennessee.

Section 3. The Association shall also continuously maintain a registered office and registered agent within the State of Tennessee as required by the Tennessee Secretary of State Corporations Division.

ARTICLE III: MEMBERS

Section 1. Membership Eligibility. The Association shall have members (the "Members"). Only those persons who are owners of lots located in Deer Ridge shall be eligible to be members of the Association. The Board of Directors shall in its discretion establish from time to time such other terms and conditions of membership and the amount and time of payment of the required association fees. Only those eligible persons who have complied with the other terms and conditions of membership in the Association which the Board of Directors may from time to time establish and who have paid the required association fees shall be Members.

Section 2. Voting by Members. The Members shall have the right to vote on matters relating to the operations and activities of the Association as expressly set forth in these Bylaws.

ARTICLE IV: MEETINGS OF MEMBERS

Section 1. Annual Meetings of Members. The Association shall hold an annual meeting of the Members (the “Annual Meeting”) in each April at such time and place as the Board of Directors shall determine. At the Annual Meeting, the Members shall elect directors of the Association in accordance with these Bylaws, shall review and approve or disapprove the annual budget for the Association and vote on such other business as the Board of Directors shall bring before the Annual Meeting for a vote.

Section 2. Special Meetings of Members. Special meetings of the Members may be called by the Board of Directors from time to time to act on matters which the Board of Directors determines should be voted on by the Members or to inform the Members of important Association business. In addition, Members may, by a written petition signed by forty (40) Members, petition the Board of Director to call and to hold a special meeting of the Members. Such petition shall be delivered to the Secretary/Treasurer of the Association. Such petition shall state with specificity the nature of the business to be conducted at the special meeting and any matter that the Members will be requested to vote upon at the special meeting. Upon receipt of such a petition, the Board of Directors may call a special meeting of Members within 45 days after receiving the petition or request a separate meeting with up to five of the Members who have signed the petition requesting the special meeting in order to discuss and determine whether a special meeting should be held. If a dispute arises with respect to whether such special meeting shall be held and that dispute cannot be resolved within 30 days after the receipt of the petition by the Secretary/Treasurer of Association, the Board of Directors shall call the special meeting, but may state its objection to the special meeting in the notice given of the special meeting.

Section 3. Notices and Conduct of Meetings. The Association may, but is not required to, give written or printed notice to the Members of the Association specifying the time, date, location, and/or purposes of the Annual Meeting and any special meeting of the Members. Notice of the Annual Meeting or a special meeting shall otherwise be given by public announcement or other means. If written or printed notice is given, it shall be delivered to the Members not less than ten days nor more than sixty days before the date of the meeting by delivering the notice personally, by facsimile transmission or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association with postage thereon prepaid.

Section 4. Conduct of Meetings. Any Annual Meeting or special meeting of the Members shall be held in a manner and in accordance with rules of order determined by the Board of Directors. The presence at an Annual Meeting or a special meeting of Members who hold five percent of the votes entitled to be cast at the meeting shall constitute a quorum for the transaction of business at a meeting. Any action taken by the Members at the Annual Meeting or a special meeting shall be taken by a majority of the Members present or represented by proxy at the Annual Meeting or the special meeting, as the case may be.

Section 5. Members Entitled to Vote; Members List. Only those persons who are Members in good standing at the date of the Annual Meeting or a special meeting of the Members shall be entitled to vote on any matter to come before that meeting for a vote of the Members. Within two days after the date on which notice of the Annual Meeting or a special meeting of the Members is given, the Association shall prepare a list of the Members entitled to vote at the meeting, which list shall be updated as the Association adds and loses Members. This list will be available for inspection by a Member or his or her agent or attorney from the time of its preparation through the time of the Meeting for the purpose of communication with other Members concerning the meeting. Such inspection shall be made upon written demand, at a reasonable time and at the inspecting Member’s expense. The list shall be maintained at the Association’s principal office or such other place in Ooltewah, Tennessee identified in any notice of the Annual Meeting or the special meeting of the Members. The list shall be available at the Annual Meeting or the special meeting of the Members or any adjournment thereof for inspection by the Member or his or her agent or attorney.

ARTICLE V:

BOARD OF DIRECTORS

Section 1. Duties and Powers of the Board of Directors. The Board of Directors of the Association shall manage, supervise, and control the business, property, and affairs of the Association. The Board of Directors shall be vested with powers to determine the policies of the Association and prosecute its purposes, to appoint and remunerate agents and employees, to disburse funds of the Association, cause the Association to enter into and perform contracts and to adopt such rules and regulations for the conduct of its business and affairs as it shall deem advisable.

Section 2. Eligibility for Election. Each director of the Association must be a Member in good standing of the Association and either (a) be free of any known conflict of interest (personal or business related) with the Association or (b) disclose any such conflict at the time of consideration for nomination as a director. To be eligible to be a director, the Member must also reside in the Deer Ridge Subdivision.

Section 3. Number and Election of Directors. The Association shall have at least three directors at all times. The Association shall have seven directors until the Board of Directors shall change the number of directors by resolution. The directors shall serve from their investiture at an annual meeting of the Board of Directors until the second succeeding annual meeting of the Board of Directors, or until their successors are otherwise elected and qualified. Four directors shall be elected in even numbered years and three directors shall be elected in odd numbered years.

Section 4. Nominations and Elections. The board of directors will nominate a slate of persons from among the Members who will stand for election as directors of the Association. The slate of director nominees to be elected by Members shall be submitted to the membership of the Association at the Annual Meeting. In addition, Members may nominate other Members for election as directors from the floor at the Annual Meeting. Members may also vote for an individual not included on the slate of nominees submitted by the Board of Directors. The nominees for the non-at large positions shall be residents of the Deer Ridge Subdivision. The nominee with the greatest number of votes for his or her election as director for the particular at large position shall be elected as a director. In the event of a tie in the voting as to any position, additional ballots shall be taken until one person is elected as the director for that position.

Section 5. Resignations of Directors. Any director may resign at any time by giving written notice to the President of the Association. Such resignation shall take effect at the time specified in the notice, or, if no time is specified, at the time of acceptance of the resignation by the President of the Association. Any director may be removed from office by a three-fifths vote of the total number of directors then in office at any regular or special meeting of the Board of Directors.

Section 6. Vacancies. Vacancies on the Board of Directors, by virtue of death, resignation, removal, increase in the number of directors or otherwise, may be filled by action of a majority of directors at any meeting of Board of Directors at which a quorum is present. A director so elected shall serve until the next Annual Meeting of the Members at which a director would be regularly elected for the position filed. Any reduction in the number of directorships shall not shorten the term of any director.

Section 7. No Compensation. Directors shall not receive compensation for their services as members of the Board of Directors. The directors of the Association serve for voluntary reasons, as a service to their neighborhood and not to obtain personal gain.

Section 8. Annual Meetings of Directors. An annual meeting of the Board of Directors shall be held each year, at such time, day and place as shall be designated by the Board of Directors, for purposes of investiture of directors elected pursuant to the provisions of these Bylaws, and the election of officers and the transaction of such other business as may come before the meeting. Regular meetings shall be held as the Board of Directors may specify.

Section 9. Special Meetings of Directors. Special meetings of the Board of Directors may be called at the direction of the President, and shall be held at the time, day, and place designated in the notice of the meeting.

Section 10. Conduct of Meetings. Meetings of the Board of Directors, whether annual, regular, or special, may be held by telephone conference. Notice of the time, day, and place of any meeting of the Board of Directors shall be given prior thereto, by any means reasonably calculated to effect such notice, including personally or by mail, facsimile or telephone. The purposes for which a special meeting is called may, but need not, be stated in the notice of the meeting. A director may waive notice of any meeting, either before or after it is held. The attendance of a director at any meeting shall constitute a waiver of notice, except where a 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 11. Transaction of Business. A majority of the directors then serving in office shall constitute a quorum for the transaction of business at a meeting, except if less than a majority of the directors then serving is present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of a majority of directors at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors.

Section 12. Committees. In addition to a nominating committee, which shall consist of at least two directors, the Association shall have such committees as the Board of Directors from time to time may create by resolution of a majority of directors at a meeting at which a quorum is present. Any such committee shall act in accordance with the terms of these Bylaws and the grant of authority to that committee made by the Board of Directors in the resolution creating the committee. No committee may make any expenditure or commit the Association to any contractual or other obligation without the express prior consent to such expenditure or obligation or unless the expenditure or obligation is within guidelines established by the Board of Directors for the committee.

ARTICLE VI: OFFICERS

Section 1. Officers. The officers of the Association shall consist of a President, a Vice President, and a Secretary/Treasurer. The Board of Directors may from time to time elect or authorize an officer to appoint other officers and assistant officers with duties as may be specified by the Board of Directors, or by the officer if so authorized by the Board of Directors. Officers of the Association must be Members and must also be members of the Board of Directors.

Section 2. Election of Officers. The President, Vice President and Secretary/Treasurer of the Association shall be elected by the Board of Directors at the annual meeting of the Board of Directors and shall hold office until the next succeeding annual meeting of the Board of Directors or until their respective successors are elected and qualified.

Section 3. Removal of Officers. Any officer elected by the Board of Directors may be removed by majority action of the Board of Directors. Any appointed officer or assistant officer may be removed by majority action of the Board of Directors or by the officer making such appointment. Any vacancy occurring in any office by virtue of resignation, removal, or otherwise may be filled by appropriate Board of Directors action or appointive action.

Section 4. Fidelity Bonds. Officers of the Association may be furnished a fidelity bond in such sum as the Board of Directors may from time to time deem advisable.

Section 5. President. The President shall be the chief executive officer of the Association. The President shall have general and active responsibility for management of the Association, shall preside over meetings of the Board of Directors and meetings of the Members, shall undertake the other duties specified to be undertaken by the President pursuant to these Bylaws and by the Board of Directors, and shall endeavor to see that all orders and resolutions of the Board of Directors are carried into effect.

Section 6. Vice President. The Vice President shall perform such duties as the Board of Directors or the President may, from time to time, designate. The Vice President shall, in the absence or disability of the President, perform the duties and execute the powers of the President.

Section 8. Secretary/Treasurer. The Secretary/Treasurer shall have custody of the Association's funds, and shall be responsible for development and review of the fiscal policies of the Association. The Secretary/Treasurer shall maintain current and accurate financial records of the Association and receive and deposit all monies received by the

Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Secretary/Treasurer shall disburse the funds of the Association in such manner as may be authorized by the Board of Directors. The Secretary/Treasurer or the designee of Secretary/Treasurer shall render a report on the finances of the Association at each Annual Meeting and at each annual meeting of the Board of Directors or whenever requested by the President, showing all receipts and expenditures for current or prior years.

The Secretary/Treasurer (or his or her designee) shall attend all meetings of the Board of Directors and of the Members and shall be responsible for keeping record of the proceedings of all such meetings. The Secretary/Treasurer shall ensure that notices are given in accordance with these Bylaws, and shall perform such other duties as the President may from time to time designate.

The Board of Directors may appoint one or more Assistant Secretary/Treasurers to perform such duties as the Board of Directors may from time to time delegate to any Assistant Secretary/Treasurer. If required by the Board of Directors, the Secretary/Treasurer and each Assistant Secretary/Treasurer shall give the Association a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Association, in case of the Secretary/Treasurer's or the Assistant Secretary/Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Secretary/Treasurer's or the Assistant Secretary/Treasurer's possession or under his or her control belonging to the Association.

ARTICLE VII: FISCAL YEAR

The fiscal year of the Association shall commence on May 1 and end on April 30 of each year.

ARTICLE VIII: INDEMNIFICATION

Section 1. General; Definitions. As utilized in this Article, the following terms shall have the meanings indicated:

- (1) "Expenses" include court costs, other costs of litigation and attorneys' fees.
- (2) "Official capacity" means: (i) when used with respect to a director, the office of director in the Association, and (ii) when used with respect to a person other than a director, the elective or appointive office in the Association held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association, but notwithstanding any provision hereof to the contrary, "official capacity" as defined in both (i) and (ii) above does not include service for any other foreign or domestic corporation, organization, association or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.
- (3) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

Section 2. Indemnity. The Association shall indemnify a person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director only if it is determined in accordance with Section 6 of this Article that the person: (1) conducted himself or herself in good faith; (2) reasonably believed: (a) in the case of conduct in his or her official capacity as a director of the Association, that his or her conduct was in the Association's best interests, and (b) in all other cases, that his or her conduct was at least not opposed to the Association's best interests; and (3) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 3. Limitations on Indemnity. A director shall not be indemnified by the Association as provided in Section 2 of this Article for obligations resulting from a proceeding: (1) in which the director is found liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in the person's official capacity; or (2) in which the person is found liable to the Association, except to the extent permitted in Section 5 of this Article.

Section 4. Standards for Determination. The termination of a proceeding by judgment, order, settlement or conviction or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements set forth in Section 2 of this Article. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

Section 5. Indemnifiable Expenses. A person may be indemnified by the Association as provided in Section 2 of this Article against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in connection with the proceeding; but if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the person, the indemnification (1) is limited to reasonable expenses actually incurred by the person in connection with the proceeding, and (2) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the Association.

Section 6. Determination to Indemnify. A determination of indemnification under Section 2 of this Article must be made: (1) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the proceeding; (2) if such a quorum cannot be obtained, by a majority vote of a committee of the board of directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding; (3) by special legal counsel selected by the board of directors or a committee of the board of directors by vote as set forth in subsection (1) or (2) of this Section 6, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors; or (4) by the Members in a vote that excludes the vote of the directors who are named defendants or respondents in the proceeding.

Section 7. Authorization of Indemnification. Authorization of indemnification and determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses must be made in the manner specified by subsection (3) of Section 6 of this Article for the selection of special legal counsel. Notwithstanding the preceding sentence, a provision contained in the charter of the Association, these Bylaws, a resolution of directors or an agreement that makes mandatory the indemnification described in Section 2 of this Article shall be deemed to constitute authorization of indemnification in the manner required herein, even though such provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

Section 8. Other Indemnities. The Association shall indemnify a director against reasonable expenses incurred by such director in connection with a proceeding in which he or she is a named defendant or respondent because he or she is or was a director if the director has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

Section 9. Court Determinations of Right to Indemnity. If, upon application of a director, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he or she has met the requirements set forth in Section 2 of this Article or has been found liable in the circumstances described in Section 3 of this Article, the Association shall indemnify the director to such further extent as the court shall determine; but if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Section 10. Payment of Expenses. Reasonable expenses incurred by a director who was, is or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the Association in advance of the final disposition of the proceeding and without the determination specified in Section 6 of this Article or the authorization or determination specified in Section 7 of this Article, after the Association receives a written affirmation by the director of the director's good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article and a written undertaking by or on behalf of the director to repay the amount paid or reimbursed if it is ultimately determined that the director has not met that standard or it is ultimately determined that indemnification of the director against expenses incurred by him or her in connection with that proceeding is prohibited by Section 5 of this Article. A provision contained in the charter of the Association, these

Bylaws, a resolution of the Board of Directors or an agreement that makes mandatory the payment or reimbursement permitted under this Section shall be deemed to constitute authorization of that payment or reimbursement.

Section 11. Nature of Undertaking. The written undertaking required by Section 10 of this Article must be an unlimited general obligation of the director but need not be secured. It may be accepted without reference to financial ability to make repayment.

Section 12. Witness Expenses. Notwithstanding any other provision of this Article, the Association may pay or reimburse expenses incurred by a director in connection with his or her appearance as a witness or other participation in a proceeding at a time when the director is not a named defendant or respondent in the proceeding.

Section 13. Indemnification of Officers. An officer of the Association shall be indemnified by the Association as and to the same extent provided by Sections 8 and 9 of this Article for a director and is entitled to seek indemnification under those Sections to the same extent as a director. The Association may indemnify and advance expenses to an officer, employee or agent of the Association to the same extent that it may indemnify and advance expenses to directors under this Article.

Section 14. Expenses of Officers. The Association may indemnify and advance expenses to an officer, employee or agent of the Association and who is not a director to such further extent, consistent with law, as may be provided by the charter of the Association, these Bylaws, general or specific action of the board of directors, as required by contract or as permitted or required by common law.

Section 15. Insurance. The Association may purchase and maintain insurance or purchase, maintain or enter into another arrangement on behalf of any person who is or was a director, officer, employee or agent of the Association against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Association would have the power to indemnify the person against that liability under this Article. The Members must approve any arrangement with a person or entity not regulated engaged in the business of providing insurance coverage. Without limiting the power of the Association to procure or maintain any kind of insurance or other arrangement, the Association may, for the benefit of persons indemnified by the Association: (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligations by grant of a security interest or other lien on the assets of the Association; or (4) establish a letter of credit, guaranty or surety arrangement. The insurance or other arrangement may be procured, maintained or established within the Association or with any insurer or other person deemed appropriate by the board of directors. In the absence of fraud, the judgment of the board of directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive, and the insurance or arrangement shall not be voidable and shall not subject the directors approving the insurance or arrangement to liability, on any ground, regardless of whether directors participating in the approval are beneficiaries of the insurance or arrangement.

Section 16. Coverage of Insurance. The coverage of any liability insurance purchased by the Association pursuant to Section 15 of this Article may include coverage for the indemnifiable expenses described elsewhere in this Article, as well as judgments, fines, settlements, penalties, taxes and expenses of correction.

Section 17. Insurance Purchases to be Consistent with Law. No purchase of insurance, indemnification or other action contemplated or allowed by this Article shall be construed to allow or permit any such purchase, indemnification or action except as such is permitted by applicable law.

ARTICLE IX: LIMITATION ON ACTIVITIES

The Association shall use its funds only to accomplish the purposes specified in these Bylaws, and no part of the dues received or any net earnings of the Association shall inure to the benefit of or be distributable to its members, directors, or officers, or to other private individuals or other associations organized and operating for profit, except that the Association is authorized and empowered to pay reasonable compensation for services rendered.

ARTICLE X: GENERAL PROVISIONS

Section 1. Creation of Reserves. The Board of Directors may create a reserve or reserves out of surplus revenues or designate or allocate any and all of its surplus revenues in any manner for any proper purpose or purposes, and may increase, decrease or abolish any such reserve in the same manner.

Section 2. Acceptance of Gifts. The Board of Directors 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. The Board of Directors may make gifts and give charitable contributions that are not prohibited by applicable law, the Association's charter or these Bylaws.

Section 3. Authority to Contract. The Board of Directors may authorize any officer or officers, or agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances, including, without limitation, contracts for administrative and other services in furtherance of the purposes of the Association.

Section 4. Banking Matters. All checks, drafts or other orders 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 the Treasurer or such other officer or officers or such other person or persons as the Board of Directors may from time to time designate. 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 of Directors may select.

Section 5. Records of the Association. The Association shall keep correct and complete books and records of account and shall also keep a record giving the names and addresses of its directors, officers and Members. Any director may inspect all books and records of the Association for any proper purpose at any reasonable time.

ARTICLE XI: AMENDMENTS TO BYLAWS

The power to alter, amend, or repeal these Bylaws is vested in the Board of Directors, which may amend these Bylaws by a vote of three-fifths of those directors then in office.

Adopted effective July 6, 2000.
