

**ARTICLES OF INCORPORATION
OF
SOUTHERN PINES VILLAS ASSOCIATION**

The undersigned, for the purpose of incorporating a nonprofit corporation under the Nebraska Nonprofit Corporation Act, do hereby certify and adopt the following Articles of Incorporation.

**ARTICLE I.
Name**

The name of the Corporation is SOUTHERN PINES VILLAS ASSOCIATION, hereinafter referred to as the "Villas Association".

**ARTICLE II.
Designation**

The Villas Association is a mutual benefit corporation.

**ARTICLE III.
Duration**

The duration of the Villas Association shall be perpetual.

**ARTICLE IV.
Purposes of the Villas Association**

The purpose of the Villas Association shall be to act as the Villas Association under the Declaration of Covenants, Conditions, Restrictions and Easements for Southern Pines, a subdivision in Sarpy County, Nebraska (The Southern Pines Villas), dated December 26, 2017, and filed with the Sarpy County Register of Deeds on December 27, 2017, as Instrument No. 2017-31181, as may be amended from time to time (herein referred to as the "Declaration"), for the promotion of the health, safety, recreation, welfare and enjoyment of the residents of Lots 172 through 186, inclusive, in Southern Pines Replat 1, a subdivision, as surveyed, platted and recorded in Sarpy County, Nebraska, and any replats and administrative lots splits, consolidations or subdivisions of the foregoing (herein the "Property").

ARTICLE V.
Membership and Voting

The Villas Association shall have Members. The Property is presently divided into fifteen (15) separate residential lots being regulated by the Villas Association (referred to as the "Villa Lots") and may be expanded to include additional Villa Lots as permitted by the Declaration. For purposes of these Articles and the Declaration, the term "Owner" of a Villa Lot shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to a Villa Lot, but excluding however those persons or entities having any interest in any of such Villa Lots merely as security for the performance of an obligation (such as a contract seller, the trustee or beneficiary of a deed of trust, or a mortgagee). The purchaser of a Villa Lot under a land contract or similar instrument shall be considered to be the "Owner" of the Villa Lot for purposes of these Articles. Membership shall be appurtenant to ownership of each Villa Lot. The Owner of each Villa Lot, whether one or more persons and entities, shall be entitled to one (1) vote on each matter properly coming before the Members of the Villas Association.

ARTICLE VI.
Powers and Dissolution

The Villas Association shall have all of the powers conferred upon not-for-profit corporations under the Nebraska Nonprofit Corporation Act. Without limitation of the foregoing, the Villas Association shall have the powers and authority described in the Declaration, as amended from time to time, including the power to fix, charge and collect charges, dues and assessments to Members of the Villas Association. No part of the net earnings of the Villas Association shall inure to the benefit of any private member, trustee, director, or officer of the Villas Association, or any private individual, except that the Villas Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article IV herein. The Villas Association is irrevocably dedicated to operate exclusively for the purposes stated in Article IV herein, and upon dissolution of the Villas Association, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the Villas Association, dispose of all the assets of the Villas Association exclusively for the purposes of the Villas Association in such a manner as shall at that time qualify under the Internal Revenue Code, as amended, and on the terms and in the manner as the Board of Directors shall determine at that time.

ARTICLE VII.
Registered Agent

The initial registered office of the Villas Association is located at 10250 Regency Circle, Suite 300, Omaha, Nebraska 68114, and the initial registered agent at such address is John Q. Bachman.

ARTICLE VIII.
Officers and Directors

The affairs of the Villas Association shall be managed by a Board of not fewer than three (3) nor more than nine (9) directors, as permitted by applicable law and from time to time as may be set forth in the Bylaws, and by its President, Vice President, Secretary and Treasurer and one or more officers or assistants thereto as from time to time may be authorized by the Bylaws. Until election and qualification of successors, the Board of Directors of the Villas Association are three (3) in number, whose names and respective street addresses are:

Gerald L. Torczon
11205 South 150th Street, Suite 100
Omaha, NE 68138

Jeffery S. Torczon
11205 South 150th Street, Suite 100
Omaha, NE 68138

Doris J. Nicholson
11205 South 150th Street, Suite 100
Omaha, NE 68138

ARTICLE IX.
Incorporators

The names and respective street addresses of the incorporators are as follows:

John Q. Bachman
10250 Regency Circle, Suite 300
Omaha, NE 68114

Sandra K. Willmott
10250 Regency Circle, Suite 300
Omaha, NE 68114

ARTICLE X.
Bylaws

The Directors of the Villas Association shall adopt its initial Bylaws with any provisions found to be appropriate, convenient or necessary for the management and affairs of the Villas Association not inconsistent with law and these Articles of Incorporation, and from time to time, in the manner set out therein, to amend, alter, or revoke all or any part of the Bylaws.

ARTICLE XI.
Abatement of Dues and Assessments

The Board of Directors may abate all or part of the dues and assessments due in respect of any Villa Lot. All dues and assessments due in respect of any Villa Lot shall be abated during the period such Lot is owned by the Declarant under the Declaration.

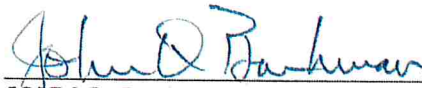
ARTICLE XII.
Indemnification

The Villas Association shall, to the extent permitted by the Nebraska Nonprofit Corporation Act, as amended from time to time, indemnify and reimburse all persons whom it may indemnify and reimburse pursuant thereto. Notwithstanding the foregoing, the indemnification provided for in this Article shall not be deemed exclusive of any other right to which those entitled to receive indemnification or reimbursement hereunder may be entitled under any Bylaws of this Villas Association, agreement, vote or consent of members, or disinterested directors or otherwise.

ARTICLE XIII.
Amendment

Two-Thirds (2/3) of the Members of the Villas Association shall have the authority to, from time to time, alter, amend or revoke all or any part of these Articles of Incorporation.

DATED this 12th day of January, 2018.





JOHN Q. BACHMAN




SANDRA K. WILLMOTT

Incorporators


GERALD L. TORCZON


JEFFERY S. TORCZON


DORIS J. NICHOLSON

Directors

**BYLAWS
OF
SOUTHERN PINES VILLAS ASSOCIATION**

Article I
Plan of Ownership

Section 1. Name and Location. The name of the corporation is SOUTHERN PINES VILLAS ASSOCIATION (hereinafter referred to as the "Villas Association"). The initial office of the Villas Association shall be located at 11205 South 150th Street, Suite 100, Omaha, Nebraska, 68138, but meetings of members and directors may be held at such places within Nebraska as may be designated by the Board of Directors.

Section 2. Application. All present and future owners, mortgagees, lessees and occupants of the Villa Lots and their employees, and any other persons who may use the facilities of the Villas Association in any manner are subject to these Bylaws and rules and regulations pertaining to the use and operation thereof. The acceptance of a deed or conveyance, or the execution of a lease, or the act of occupancy of any Villa Lot in the Property shall constitute an acceptance of and agreement to comply with the provisions of these Bylaws.

Article II
Definitions

Section 1. Villas Association. "Villas Association" shall mean and refer to the SOUTHERN PINES VILLAS ASSOCIATION, a Nebraska not-for-profit corporation, its successors and assigns.

Section 2. Common Facility. "Common Facility" shall mean facilities for the general use, benefit and enjoyment of the Members. Common Facilities may include, but shall not be limited to, recreational facilities such as swimming pools, tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways and green areas; outlots; and signs, fencing and entrances for the Southern Pines Villas. Common Facilities may be situated on property owned or leased by the Villas Association, or on dedicated property or property subject to easements accepted by and benefitting the Villas Association.

Section 3. Declaration. "Declaration" shall collectively mean and refer to: (i) the Declaration of Covenants, Conditions, Restrictions and Easements of Southern Pines, a Subdivision in Sarpy County, Nebraska (The Southern Pines Villas) dated December 26, 2017, and filed with the Sarpy County Register of Deeds on December 27, 2017, as Instrument No. 2017-31181; and (ii) any declarations recorded against subsequent residential phases of the Southern Pines Villas, all as may be amended from time to time.

Section 4. Villa Lot. "Villa Lot" or "Villa Lots" shall mean and refer to each or all of the following Lots:

Lots 172 through 186, inclusive, in Southern Pines Replat 1, a subdivision, as surveyed, platted and recorded in Sarpy County, Nebraska.

Section 5. Members. "Member" shall mean and refer to each Owner of a Villa Lot.

Section 6. Owner. "Owner" of a Villa Lot shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to a Villa Lot, but excluding, however, those parties having any interest in any of such Villa Lots merely as security for the performance of an obligation (such as a contract seller, the trustee or beneficiary of a deed of trust, or a mortgagee). A purchaser of a Villa Lot under a land contract or similar instrument shall be deemed to be the Owner of the Villa Lot for purposes of these Bylaws.

Terms used herein with an initial capitalized letter which are not otherwise defined herein, shall have the meanings ascribed to them in the Declaration.

Article III Board of Directors

Section 1. Initial Number and Qualification. The initial Board of Directors shall consist of those individuals designated in the Articles of Incorporation of the Villas Association. Such Directors and their successors elected in accordance with Section 4 of this Article shall serve until the first annual meeting of the Members, or until their successors are duly elected and qualified.

Section 2. Number and Qualification After Annual Election. The Board of Directors shall be composed of not fewer than three (3) nor more than nine (9) directors, each of whom shall be a Member or an Owner, an officer of a corporate Owner, a partner of a partnership Owner, or a member or an owner or employee or agent of a member of a limited liability company Owner.

Section 3. Powers and Duties. The Board of Directors shall have the powers conferred upon not-for-profit corporations by the Nebraska Nonprofit Corporation Act, and all powers and duties necessary and appropriate to accomplish the purposes and administer the affairs of the Villas Association. The powers and duties to be exercised by the Board of Directors, and upon authorization of the Board of Directors by the Officers, may include but shall not be limited to, the following:

(a) The acquisition, construction, landscaping, improvement, equipment, maintenance, operation, repair, upkeep and replacement of Common Facilities, for the general use, benefit and enjoyment of the Members and the maintenance and repair of the improvements to the Villa Lots as set forth herein.

(b) The exterior maintenance, painting and insurance with respect to improvements constructed on the Villa Lots, grounds care, snow removal, and trash collection as generally described in Article I, Section 3 of the Declaration.

(c) The development, operation and administration of the Common Facilities and the enforcement of the rules and regulations relating to the Common Facilities.

(d) The fixing, levying, collecting, abatement, and enforcement of all charges, dues, or assessments made pursuant to the terms of the Declaration.

(e) The expenditure, commitment and payment of Villas Association funds to accomplish the purposes of the Villas Association, including, but not limited to, payment for purchase of insurance covering any Common Facility or any improvement to a Villa Lot against

property damage and casualty, and purchase of liability insurance coverages for the Villas Association, the Board of Directors of the Villas Association and the Members.

(f) The exercise of all of the powers and privileges and the performance of all of the duties and obligations of the Villas Association as set forth in the Declaration, as the same may be amended from time to time.

(g) The acquisition by purchase or otherwise, holding, or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Villas Association.

(h) The deposit, investment and reinvestment of Villas Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like.

(i) The employment of professionals and consultants to advise and assist the Officers and Board of Directors in the performance of their duties and responsibilities for the Villas Association.

(j) General administration and management of the Villas Association and execution of such documents and the doing and performance of such acts as may be necessary or appropriate to accomplish such administration and management.

(k) The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Villas Association.

Section 4. Election and Term of Office. Commencing with the annual meeting of the Villas Association in 2019, the Members entitled to vote shall elect one-third (1/3) of the total number of Directors for a term of one (1) year, one-third (1/3) for a term of two (2) years, and one-third (1/3) for a term of three (3) years; and at each annual election thereafter, the Members entitled to vote shall elect Directors to replace the total number of Directors whose term is then expiring.

Section 5. Removal of Board of Directors. At any regular or special meeting of Members, any one or more of the Directors may be removed with or without cause by two-thirds (2/3) of the Members entitled to vote and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Voting Members shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal by a vote of the Members entitled to vote, shall be filled by a vote of a majority of the remaining Directors at a special meeting held for that purpose, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall be a Director for the remainder of the term of the Director so removed and until a successor shall be elected at an annual meeting of the Members.

Section 7. Annual Meeting. The annual meeting of the Board of Directors shall be held within ten (10) days following the annual meeting of the Members, at such time and place as shall be fixed by the Members at the meeting. No notice shall be necessary to the newly elected Board of Directors in

order legally to constitute such meeting, providing a majority of the whole Board of Directors, shall be present at such meeting.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each Director, given by mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least twenty percent (20%) of the Directors then in office.

Section 10. Waiver of Notice and Consents in Lieu of Meetings. Any Director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Business may be transacted and approved by the Board of Directors in the form of a written consent in lieu of a regular or special meeting provided all of the Directors shall have executed such written consent.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors may obtain fidelity bonds for all officers, directors and employees of the Villas Association handling or responsible for Villas Association funds. The premiums for such bonds shall constitute a common expense.

Section 13. Compensation. No Director shall receive any compensation for acting as such; provided, however, the Directors may be reimbursed for any reasonable expenses incurred on behalf of the Villas Association at the direction of the Board.

Section 14. Liability of the Board of Directors. The Directors shall not be liable to the Members for any mistake of judgment, or otherwise, except for their own individual willful misconduct. The Villas Association shall, to the extent permitted by the Nebraska Nonprofit Corporation Act, as amended from time to time, indemnify and reimburse to the greatest extent permitted by law, all persons whom it may indemnify and reimburse pursuant thereto. Notwithstanding the foregoing, the indemnification provided for in this Section shall not be deemed exclusive of any other rights to which those entitled to receive indemnification or reimbursement hereunder may be entitled under any Bylaw of this Villas Association, agreement, vote or consent of Members or disinterested Directors or otherwise. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Villas Association. It is also intended that the liability of any Member arising out of any contract made by the Board of Directors or out of the indemnity in favor of the Directors shall be limited to a proportion of the total liability thereunder, which proportion shall be equivalent to the proportional rate of assessment of

the Member's Villa Lot under the Declaration. Agreements made by the Board of Directors or by the managing agent or by the manager on behalf of the Villas Association may provide that the Directors or the managing agent, or the manager, as the case may be, are acting only as agents for the Members and shall have no personal liability thereunder (except as Members), and that each Member's liability thereunder shall be limited to a proportion of the total liability thereunder, which proportion shall be equivalent to the proportional rate of assessment of the Member's Villa Lot under the Declaration.

Article IV Meetings and Voting Rights

Section 1. Annual Meetings. The annual meetings of the Members shall be held on the _____ in _____ of each year, beginning in 2019, unless such date shall occur on a holiday, in which event the meeting shall be held on the succeeding business day. The Members may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Members shall be held at the principal office of the Villas Association or at such other suitable place convenient to such Members as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Members. Additionally, it shall be the duty of the President to call a special meeting of the Members if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by at least seventy-five percent (75%) of all Members entitled to vote. Special meetings of the Members may not otherwise be called. The notice of any special meeting shall state the time, place, and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. The Secretary shall mail or personally deliver, at least ten (10) but not more than fifty (50) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member of record a notice of each annual or special meeting of the Members at the address of the Villa Lot or at such other address as such Members shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Members cannot be held because a quorum has not attended, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Members shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;

- (e) Report of Board of Directors;
- (f) Election of members of the Board of Directors (when so required);
- (g) Unfinished business; and
- (h) New business.

Section 7. Voting. The Declaration provides that the Owner of each Villa Lot, whether one or more persons and entities, shall be entitled to one (1) vote on each matter properly coming before the Members of the Villas Association. The Members, or some person designated by such Member or Members to act as proxy on his, her or their behalf and who need not be an Owner, shall be entitled to cast the vote(s) appurtenant to a Villa Lot, if any, at all meetings of Members. The designation of any such proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to the Secretary by the Member or Members so designating. A fiduciary shall be the voting Member with respect to any Villa Lot owned in a fiduciary capacity. No vote may be cast on behalf of any Villa Lot unless all dues, charges or assessments of the Villas Association have been paid current to the date of any election or to the time of casting such vote. Further, in the event of the lack of an agreement among common owners of a Villa Lot as to voting rights, the current payor of Villas Association dues or charges shall be preferred with the ultimate decision of voting rights to be made by the Villas Association's Board of Directors.

Section 8. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members holding at least one-tenth (1/10) of the votes entitled to be cast shall constitute a quorum at all meetings of the Members.

Section 9. Majority Vote. The vote of a majority of Member votes at a meeting at which a quorum shall be present shall be binding upon all Members for all purposes except where a higher percentage vote is required by law, or by these Bylaws.

Section 10. Registration of Owner. It shall be the duty of each Member to register with the Secretary of the Villas Association in writing: (i) the name and address of such Member; (ii) the nature and satisfactory evidence of such Member's interest or estate in a Villa Lot; and (iii) the address at which such Member desires to receive notice of any duly called meeting of the Members. If a Member does not register as provided in this Article IV, Section 10, the Villas Association shall be under no duty to recognize the rights of such person hereunder, and shall not recognize such person's right to vote as provided herein, but such failure to register shall not relieve a Member of any obligation, covenant or restriction under the Declaration or these Bylaws.

Article V Officers

Section 1. Designation. The principal officers of the Villas Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Treasurer must be members of the Board of Directors and any one person may hold more than one office except the office of both President and Secretary.

Section 2. Election of Officers. Officers shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Villas Association. He or she shall preside at all meetings of the Members and of the Board of Directors. He or she shall have all of the general powers and duties which are normally incident to the office of president of a corporation organized under the law of the State of Nebraska, including but not limited to the power of appointment from among the Members of any committee which he decides is appropriate to assist in the conduct of the affairs of the Villas Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Members and of the Board of Directors; he or she shall have charge of such books and papers as the Board may direct; and he or she shall, in general, perform all the duties normally incident to the office of secretary of a corporation organized under the law of the State of Nebraska.

Section 7. Treasurer. The Treasurer shall have the responsibility for Villas Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He or she shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Directors, or the managing agent, in such depositories as may from time to time be designated by the Board of Directors, and he or she shall, in general, perform all duties normally incident to the office of treasurer of a corporation organized under the law of the State of Nebraska.

Section 8. Agreement, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, mortgages, checks, and other instruments of the Villas Association shall be executed by the President or by any two of the other officers of the Villas Association.

Section 9. Compensation of Officers. No officer of the Villas Association shall receive any compensation for acting as such.

Article VI Operation of the Common Facilities

Section 1. Determination of Dues and Assessments. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Villas Association and establish the amount of dues and assessments. The amount of the dues and assessments and the expenditure of funds by the Villas

Association shall be governed by applicable provisions of the Declaration. The Board shall advise each Owner in writing of the amount of dues and assessments payable by him, her or it, and shall furnish copies of each budget on which such dues and assessments are based to all Owners and to their mortgagees who request a copy in writing.

Section 2. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaw contained herein shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

- (a) To suspend the voting rights of the Villa Lot in question; and/or
- (b) To suspend the right of the Owner to use the Common Facilities; and/or
- (c) To take such actions as are deemed appropriate by the Board of Directors, including enjoining, abating, or election to remedy such thing or condition by appropriate legal proceedings.

Section 3. Maintenance and Repair. All maintenance, repairs, and replacements to the Common Facilities (unless necessitated by the negligence, misuse, or neglect of a Villa Owner, in which case such expense shall be charged to such Villa Owner), shall be made by the Villas Association and be charged to all the Villa Owners as provided in the Declaration.

Article VII Mortgages

Section 1. Notice of Unpaid Dues or Assessments. The Board of Directors, whenever so requested in writing by a mortgagee of a Villa Lot, shall promptly report any then unpaid dues or assessments, or other default by the Owner of the mortgaged Villa Lot.

Section 2. Notice of Default. The Board of Directors, when giving notice to a Villa Owner of a default in paying dues or assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such Villa Lot whose name and address has been furnished to the Board.

Section 3. Examination of Books. Each Villa Owner and each mortgagee of a Villa Lot shall be permitted to examine the books of account of the Villas Association at reasonable times, on business days, but not more often than once a month.

Article VIII Records

Section 1. Records and Audits. The Board of Directors shall keep reasonably detailed records of the actions of the Board, minutes of the meetings of the Board of Directors, minutes of the meetings of the Members, and financial records and books of account of the Villas Association, including a chronological listing of receipts and expenditures, as well as a separate account for each Villa Lot which, among other things, shall contain the amount of dues and assessments against such Villa Lot, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Villas Association shall be rendered by the Board of Directors to all Members at least annually.

Article IX
Miscellaneous

Section 1. Notices. All notices to the Board of Directors shall be sent by certified mail, receipt requested, in care of the President, or to such other address as the Board may hereafter designate from time to time. All notices to any Villa Owner or Member shall be sent by regular mail. All notices to mortgagees of Villa Lots, shall be sent by regular U.S. mail to their respective addresses, as designated by them from time to time, in writing to the Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity or enforceability of the remaining provisions.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Payment of Assessments. No Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his, her or its Villa Lot unless and until he, she or it shall have paid in full to the Board all unpaid standard dues and special assessments theretofore assessed by the Board against his, her or its Villa Lot and unless and until he, she or it shall have satisfied all unpaid liens against such Villa Lot, except permitted mortgages.

Article X
Amendments to Bylaws

Section 1. Amendments to Bylaws. Except as otherwise provided, these Bylaws may be modified or amended by the Board of Directors or by the majority vote of Members at any annual, regular or special meeting, provided, an amendment may not be made that is conflicting with the Declaration unless a corresponding amendment is made to the Declaration.