

**BYLAWS
OF
BAY POINTE HOMEOWNERS ASSOCIATION, INC.**

**Article 1
Name, Principal Office, and Definitions**

1.1. Name.

The name of the corporation is BAY POINTE HOMEOWNERS ASSOCIATION, INC. (the "Association").

1.2. Principal Office.

The Association's principal office is located at 33571 Herring View Dr., in Sussex County, Delaware. The Association may have such other offices as the Board may determine or as the Association's affairs may require.

1.3. Definitions.

The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning ascribed to them in the Declaration of Covenants, Conditions, Easements and Restrictions for Bay Pointe recorded by Herring Pointe Development, Inc., a Delaware corporation, in the public records of Sussex County, Delaware, as it may be amended (the "Declaration"). The term "Governing Documents" shall mean the Declaration, the Certificate of Incorporation and these bylaws for the Association, all Rules and Regulations of the Association and all Resolutions adopted by the Board of Directors of the Association. The term "majority" as used in these Bylaws, means those votes, Owners, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

**Article 2
Membership: Meetings, Quorum, Voting, Proxies**

2.1. Membership.

All owners of Lots shall be members of the Association.

2.2. Place of Meetings.

The Association shall hold meetings at the Association's principal office or at such other suitable place as the Board may designate.

2.3. Association Meetings.

(a) Annual Meetings. The Board shall schedule the annual meeting to occur on such date and at such time and place as the Board shall determine; provided, however, that the annual meeting shall be held sometime on or after the Saturday of the Memorial Day weekend and on or before Labor Day each year.

(b) Special Meetings. The President may call special meetings. In addition, the President or the Secretary shall call a special meeting if so directed by Board resolution or upon a written petition of Owners representing at least 50% of the total votes in the Association.

2.4. Notice of Meetings.

The President, the Secretary or the officers or other persons calling a meeting of the Owners shall deliver or cause to be delivered to each Owner entitled to vote at such meeting an electronic and/or written notice stating the place, day, and hour of the meeting. In the case of a special meeting or when otherwise required by statute, the Declaration, or these Bylaws, the purpose or purposes for which the meeting is called shall also be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

Such notice shall be delivered by such means as permitted under Section 9.5, at least 10 but not more than 50 days before the date of such meeting.

2.5. Adjournment of Meetings.

If any Association meeting cannot be held because a quorum is not present, a majority of the Owners present at such meeting may adjourn the meeting to a time not less than five or more than 30 days from the scheduled date of the original meeting. At the reconvened meeting, if a quorum is present, any business may be transacted that might have been transacted at the meeting originally called. If those in attendance at the original meeting do not fix a time and place for reconvening the meeting, the Board shall provide notice to the Owners of the time and place for reconvening the meeting in the manner prescribed for regular meetings.

Owners present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Owners to leave less than a quorum, provided at least a majority of the votes required to constitute a quorum must approve any action taken.

2.6. Voting.

Owners shall have such voting rights as are set forth in the Declaration, which provisions are specifically incorporated by this reference.

2.7. Proxies.

Owners may vote in person, by website or by proxy, subject to the limitations of Delaware law and subject to any specific provision to the contrary in the Declaration or these Bylaws.

Every proxy shall be in writing specifying the Lot for which it is given, signed by the Owner or his or her duly authorized attorney-in-fact and shall be dated and filed with the Association's Secretary prior to the meeting for which it is to be effective. Unless the proxy specifically provides otherwise, a proxy shall be presumed to cover all votes the Owner giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

A proxy is effective only for the specific meeting for which it was originally given, as such meeting lawfully may be adjourned and reconvened, and automatically expires 11 months after the date of the meeting for which it was originally given. Every proxy is revocable at any time at the pleasure of the Owner who executes the proxy.

2.8. Quorum.

Except as these Bylaws or the Declaration otherwise provide, the presence of Owners representing twenty percent (20%) of the total votes in the Association shall constitute a quorum at all Association meetings.

2.9. Conduct of Meetings.

The President or a Board-approved designee shall preside over all Association meetings. The Secretary shall insure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are kept with the Association's books.

2.10. Action Without a Meeting.

Any action required by the Declaration, the Certificate of Incorporation, or Delaware law to be taken at a meeting of the Owners may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by the Owners holding at least the minimum number of votes necessary to authorize such action at a meeting if all Owners entitled to vote thereon were present. Such consents shall be signed within 60 days after receipt of the earliest dated consent, dated and delivered to the Association. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Owners at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Owners entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

Article 3
Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1. Governing Body; Qualifications.

The Board shall govern the Association's affairs. Each director shall have one vote. Directors shall be Owners or residents. However, no Owner and resident representing the same Lot may serve on the Board at the same time. A "resident" shall be any natural person 18 years of age or older who has title to a Lot in Bay Pointe, Lewes, Delaware.

If an Owner is not an individual, any officer, director, partner, or trust officer of such Owner shall be eligible to serve as a director unless a written notice to the association signed by the Owner specifies otherwise. However, no Owner may have more than one such representative on the Board at a time.

3.2. Number of Directors.

The Board shall consist of five directors.

3.3. Selection of Directors; Term of Office.

The initial term for the first elected Board of Directors shall be one year. Beginning with the first annual meeting following the adoption of these Bylaws, the Board of Directors shall be divided into three classes, with the terms of two directors expiring each year, except in one year where the term of only one director shall expire. At such first annual meeting, the two director nominees who receive the two highest vote totals shall be elected for a term of three years, the two director nominees who receive the 3rd and 4th highest vote totals shall be elected for a term of two years, and the director nominee who receives the 5th highest vote total shall be elected to a term of one year. The Owners shall elect successors to those directors whose terms have expired at each subsequent annual meeting of the Association. Nothing herein shall prevent a director from serving more than one term.

3.4. Nomination and Election Procedures.

(a) Nomination of Candidates. At least 30 days prior to any election of directors by the Owners, the Owners are informed of the opportunity to nominate owners or self-nominate for the election of directors whose terms will be expiring

at the upcoming meeting. All candidates shall have a reasonable opportunity to communicate their qualifications to the Owners and to solicit votes.

(b) Election Procedures. At each election, voting shall be by written ballot, by website or by proxy, which may be delivered electronically provided that sufficient provision is made to ensure that the owner is the person actually executing the online proxy. Each Owner may cast all votes assigned to his or her Lot for each position to be filled from any slate of candidates on which such Owner is entitled to vote. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5. Removal of Directors and Vacancies.

Any director elected by the Owners may be removed, with or without cause, by the vote of Owners holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Owners entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

In the event of the death, disability, or resignation of an Owner director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Owners entitled to fill such directorship may elect a successor for the remainder of the term.

B. Meetings

3.6. Organizational Meetings.

The Board shall hold an organizational meeting within 10 days following each annual Association meeting at such time and place as the Board shall fix for the purpose of electing officers and providing for such other organizational functions as deemed appropriate.

3.7. Regular Meetings.

The Board shall hold regular meetings at such time and place as a majority of the directors shall determine, but the Board shall meet at least four times each fiscal year with at least one meeting per quarter.

3.8. Special Meetings.

The Board shall hold special meetings when called by written notice the President, Vice President, or any two director's signature(s).

3.9. Notice; Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall notify each director of meetings by posting in a prominent place or places in the Common Area and by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communications, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, electronic mail, other electronic communication devise, with confirmation of transmission. All such notices shall be given at or sent to the director's telephone number, fax number, electronic mail number, or sent to the director's address as shown in the Association's records. The Board shall deposit notices sent by first class mail into a United States mailbox at least five business days before the day of the meeting. The Board shall give notices by personal delivery, telephone, or electronic communication at least 72 hours before the time set for the meeting.

(b) The Board shall notify the Owners of each Board meeting by either: (i) posting notice of the meeting in a conspicuous place in the community at least 48 hours in advance of the meeting; (ii) publication of a schedule of the Board meetings in a newspaper, newsletter, on a community intranet or website, or by similar means at least seven days prior to the meeting; or (iii) mailing notice of the meeting to each Owner.

(c) Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 Telephonic Participation in Meetings.

Members of the Board or any committee the Board designates may participate in a Board or committee meeting by conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

3.11. Quorum of Board.

At all Board meetings, 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, unless Delaware law, these Bylaws, or the Declaration provide otherwise. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact, without further notice, any business it might have transacted at the original meeting.

3.12. Conduct of Meetings.

The President or any designee the Board approves by resolution shall preside over all Board meetings. The Secretary shall ensure that minutes of the meetings are kept and that all transactions occurring at such meetings are included in the Association's records.

3.13. Open Meetings; Executive Session.

(a) Subject to the provisions of Section 3.15(b) and Section 3.16, all Board meetings shall be open to all Owners, but only directors may participate in any discussion or deliberation unless a director request that attendees be granted permission to speak. In such case, the President may limit the time any such individual may speak.

(b) Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session and may exclude persons other than directors to discuss matters of a sensitive nature, including, but not limited to proposed, pending, or threatened litigation, or other matters specified by law. The Board also shall meet in executive session concerning any Owner who may be subject to a fine, penalty, or other form of discipline.

3.14. Action Without a Formal Meeting.

Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if the directors sign a written consent, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous

vote.

C. Powers and Duties.

3.15. Powers.

The Board shall have the power to administer the Association's affairs, perform the Association's responsibilities, and exercise the Association's rights as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those which the Governing Documents or Delaware law require to be done and exercised exclusively by the membership generally.

3.16. Duties.

The Board's duties shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual budget and establishing each Owner's share of the Common Area expenses and assessments;

(b) levying and collecting assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Common Areas consistent with the community-wide standard;

(d) opening bank accounts on the Association's behalf and designating the signatories required;

(e) depositing all funds received on the Association's behalf in a bank depository which it shall approve and using such funds to operate the Association; however, in the Board's business judgment any reserve funds may be deposited in depositories other than banks;

(f) making and amending use restrictions and rules in accordance with the Declaration;

(g) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the Governing Documents;

(h) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings that may be instituted on behalf of or against the Owners concerning the Association; however, the Association's obligation in this regard shall be conditioned in the manner provided in the Declaration;

(i) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(j) paying the cost of all services rendered to the Association;

(k) keeping a detailed record of the Association's receipts and expenditures;

(l) making available to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of any mortgage on any Lot, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 7.4; and

(m) indemnifying a director, officer, or committee member, or former director, officer, or committee member of the Association to the extent such indemnity is required by Delaware law, the Certificate of Incorporation or these Bylaws.

3.17. Conflicts of Interest.

Unless otherwise approved by a majority of the other directors, no Owner Director may transact business with the Association or any Association contractor during his or her term as director or within two years after the term expires. A director shall promptly disclose in writing to the Board any actual or potential conflict of interest affecting the director relative to his or her performance as a director. A director's failure to make such disclosure shall be grounds for removal by a majority vote of the other Board members.

Notwithstanding the above, directors may be employed by or otherwise transact business with the Developer or its affiliate, and the Developer may transact business with the Association or its contractors.

Article 4
Officers

4.1. Officers.

The Association's officers shall include a President, Vice President, Secretary, and Treasurer and Member at Large and shall be elected from among Board members. Any two or more offices may be held by the same person except the offices of President and Secretary.

4.2. Election and Term of Office.

The Board shall elect the Association's officers at the first Board meeting following each annual meeting of the Association, to serve until their successors are elected.

4.3. Removal and Vacancies.

The Board may remove any officer whenever in its judgment the Association's best interest will be served and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4. Powers and Duties.

The Association's officers shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Association's chief executive officer. The Treasurer shall have primary responsibility for the overseeing and preparation of the Association's budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5. Resignation.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein. Unless the resignation specifies, acceptance of such resignation shall not be necessary to make it effective.

Article 5
Committees

5.1. General.

The Board may appoint such other committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2. Covenants Committee.

In addition to any other committees that the Board may establish pursuant to Section 5.1, the Board may appoint a Covenant's Committee consisting of at least three and no more than five Owners who shall not be officers, directors, or employees of the Association or the spouse, parent, sibling, or child of any officer, director, or employee. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the Association's hearing tribunal and shall conduct all hearings held pursuant to Sections 8.2. the Covenants Committee shall have no responsibility for seeking out violations of the Governing Documents.

Article 6
Standards of Conduct; Liability and Indemnification

6.1 Standards for Directors and Officers.

The Board shall exercise its powers in a reasonable, fair, nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

In performing their duties, directors and officers shall act as fiduciaries and shall be insulated from liability as provided for directors of corporations under Delaware law and as otherwise provided by the Governing Documents. Directors and officers shall discharge their duties as directors or officers, and as members of any committee to which they are appointed, in a manner that the director or officer believes in good faith to be in the best interest of the corporation and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by others to the extent authorized under Delaware law.

6.2. Liability.

(a) A director or officer shall not be personally liable to the association, any owner, or any other person or entity for any action taken or not taken as a director or officer if he or she has acted in accordance with Section 6.1.

(b) Pursuant to the business judgment rule, a director also shall not be personally liable for any action taken or not taken as a director if the director:

(i) acts within the expressed or implied scope of the Governing Documents and his or her actions are not ultra vires;

(ii) affirmatively undertakes to make decisions that the director reasonably believes are necessary for the Association's continued and successful operation and, when decisions are made, makes them on an informed basis;

(iii) acts on a disinterested basis, promptly disclosing any real or potential conflict of interests (pecuniary or other), and avoiding participation in decisions and actions on matters as to which he or she has a conflict of interest (beyond that which all directors have by virtue of their ownership or occupancy of a Lot); and

(iv) acts in a non-fraudulent manner and without reckless indifference to the Association's affairs.

6.3. Indemnification.

Subject to the limitations of Delaware law, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees and expenses, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that the Association shall have no obligation to indemnify any individual against liability or expenses incurred in connection with a proceeding;

(a) brought by or in the right of the Association, although it may reimburse the individual for reasonable expenses incurred in connection with the proceeding if it is determined, by the court or in the manner provided above, that the individual met the relevant standard of conduct under Delaware law; or

(b) to the extent that the individual is adjudged liable for conduct that constitutes:

- (i) appropriation, in violation of his or her duties, of any business opportunity of the Association;
- (ii) intentional misconduct or knowing violation of the law;
- (iii) an unlawful distribution to members, directors or officers; or
- (iv) receipt of an improper personal benefit.

The right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Areas expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonable available.

6.4. Advancement of Expenses.

In accordance with the procedures and subject to the conditions and limitations set forth in Delaware law, the Board shall authorize the Association to advance funds to pay for or reimburse the reasonable expenses incurred by a present or former officer, director, or committee member upon submission of a written undertaking agreeing to repay such funds if it should ultimately be determined that indemnification is not available, in any proceeding to which he or she may be a party by reason of being or having been an officer, director, or committee member of the Association.

6.5. Board and Officer Training.

The Board may conduct or provide for seminars and continuing educational opportunities designed to educate and inform its officers and directors of their responsibilities as officers and directors. Such programs may include instruction on applicable Delaware corporate and fiduciary law principles, other issues relating to administering community affairs, and upholding and enforcing the Governing documents. The Board may retain industry professionals, which may include property managers, attorneys, and accountants, as appropriate or necessary for such purpose. The cost of any such seminar or program may be a Common Area expense.

The Board also may provide, or provide for, Owner and resident education designed to foster a better understanding of Bay Pointe' governance and operations, and leadership training classes designed to educate Owners about the nomination, election, and voting processes and the duties and responsibilities of directors and officers.

Article 7

Management and Accounting

7.1. Compensation of Directors and Officers.

The Association shall not compensate directors and officers for acting as such unless Owners representing a majority of the total votes in the Association approve such compensation at an Association meeting. The Association may reimburse any director or officer for expenses he or she incurs on the Association's behalf upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director or officer, or any entity with which a director or officer is affiliated, for services or supplies he or she furnishes to the Association in a capacity other than as a director or officer pursuant to a contract or agreement with the Association. However, such director must make known his or her interest to the Board prior to entering into such contract, and a majority of the Board, excluding any interest director, must approve such contract.

7.2. Managing Agent.

The Board may employ for the Association professional management agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority or ultimate responsibility for those duties set forth in Section 3.18.

The Board may delegate to one of its members the authority to act on its behalf on all matters relating to the duties of the managing agent or manager that might arise between Board meetings.

The managing agent shall not accept remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association. The managing agent shall promptly disclose to the Board any financial or other interest that it may have in any firm providing goods or services to the Association.

7.3. Accounts and Reports.

(a) The Board shall follow the following accounting standards unless the Board by resolution specifically determines otherwise:

(i) accounting and controls should conform to accounting principles; and

(ii) the Association's cash accounts shall not be commingled with any other accounts, and operating accounts shall not be commingled with reserve accounts.

(b) Commencing at the end of the quarter in which the first Lot is sold and closed, financial reports shall be prepared for the Association within 60 days after the end of each quarter and shall include:

(i) an income statement reflecting all income and expense activity for the preceding period;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date

unless the Board specifies otherwise by resolution). A copy of the quarterly financial report shall be made available at no charge to any Owner requesting a copy.

(c) an annual report consisting of at least the following shall be made available for Owners' review within 180 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of cash flow. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines.

7.4. Borrowing.

The Association shall have the power to borrow money for any legal purpose. However, the Board shall obtain Owner approval in the same manner provided in the Declaration for special assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 25% of the Association's budgeted gross expenses for that fiscal year.

7.5. Right to Contract.

The Association shall have the right to contract with any person or entity for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, any neighborhood association, and other owners or residents associations within and outside Delaware.

7.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All Association agreements, contracts, deeds, leases, checks, and other instruments shall be executed by at least two officers or by such other person or persons as the Board may designate by resolution.

Article 8 Enforcement Procedures

The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Declaration, the Board shall comply with the following procedures prior to imposition of sanctions:

8.1. Notice and Response.

The Board or its delegate shall serve the alleged violator with written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) the alleged violator shall have 14 days to present a written request for a hearing, and (d) a statement that the proposed sanction will be imposed as contained in the notice unless a hearing is requested within 14 days of the notice.

The alleged violator shall respond to the notice of the alleged violation in writing within such 14-day period regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board in writing within such 14-day period, the Board may, but shall not be obligated to, waive the sanction. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person or entity. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Board or Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 14-day period.

Prior to the effectiveness of sanctions imposed pursuant to this article, proof of proper notice shall be placed with

the minutes of the Board or Covenants Committee, as applicable. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

8.2. Hearing.

If a hearing is requested within the allotted 14-day period, the hearing shall be held before a Committee of the Board or the Covenants Committee. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting of the Committee of the Board or the Covenants Committee shall contain a written statement of the results of the hearing (i.e., the decision) and the sanction, if any, to be imposed.

8.3. Appeal.

Following any hearing pursuant to Section 8.2, the violator shall have the right to appeal the decision to the entire Board. To exercise this right, the violator must deliver a written notice of appeal to the Association's manager, President, or Secretary within 10 days after the hearing date. The Board may, but need not, hold a hearing on that appeal.

8.4. Procedures.

The Board may adopt Rules, not inconsistent herewith, to set forth additional procedures for carrying out the hearing and appeal process provided for in Sections 8.2 and 8.3.

Article 9 Miscellaneous

9.1. Fiscal Year.

The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

9.2. Parliamentary Rules.

Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Association proceedings when not in conflict with Delaware law or the Government Documents.

9.3. Conflicts.

If there are conflicts among the provisions of Delaware law, the Certificate of Incorporation, the Declaration, and these Bylaws, the provisions of Delaware law, the Declaration, the Certificate of Incorporation, and the Bylaws (in that order) shall prevail.

9.4. Books and Records.

Inspection by Owners and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first mortgage on a Lot, any Owner, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Governing Documents; the membership register; books of account; the minutes of the Owners, the Board, and committees; and any other records as required by Delaware law. The Board shall provide for such inspection to take place within 10 business days after receipt of a written request for access at the Association's office or at such other place within Bay Pointe as the Board shall

designate.

9.5. Notices.

(a) Form of Notice and Method of Delivery. Except as otherwise provided in the Declaration or these Bylaws or by Delaware law, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws shall be in writing and may be delivered in person, United States mail, by private carrier, or by facsimile or electronic mail.

(b) Delivery Address. Notices shall be delivered or sent to the intended recipient as follows:

(i) if to an Owner, at the address the Owner has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Owner; or

(ii) if to the Association, the Board, or a committee of either, at the address, facsimile number, or e-mail address of the principal office of the Association or its managing agent or at such other address as the Association shall designate in writing to the Owners pursuant to this section.

(c) Effective Date. Notice sent in accordance with subsections (a) and (b) shall be deemed to have been duly given and effective if:

(i) sent by United States mail, when deposited with the U.S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(ii) delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; or

(iii) sent by telephone facsimile or electronic mail.

9.6. Amendment.

These bylaws may be amended by the Owners at any duly convened annual meeting, or at a special meeting called for the purpose of considering any such amendments.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of BAY POINTE HOMEOWNERS ASSOCIATION, INC., a Delaware corporation;

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted by the owners on the ____ day of _____, 201 ____.

Secretary