

BYLAWS OF
HIGHGROVE PROPERTY OWNERS ASSOCIATION, INC.
ARTICLE 1
NAME AND LOCATION

Section 1.1. Name. The name of the Corporation is HIGHGROVE PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association."

Section 1.2. Location. The principal office of the Association shall be located in Greenville County, South Carolina and shall otherwise be as designated in the Association's Articles of Incorporation or amendments thereto or ancillary filings in the Office of the Secretary for the State for South Carolina.

Section 1.3. Registered Agent. The Registered Agent for the Association shall be the Secretary as from time to time elected, unless otherwise agreed upon by the Board of Directors. The registered office of the Association must be located in South Carolina and may be, but need not be, identical with the principal office.

Section 1.4. Purpose. The purpose for which the Association is organized is to further social activities of Owners of Lots in Highgrove Subdivision located in Greenville County, South Carolina, and in connection therewith to provide services to such property Owners, manage and maintain the Common Area and administer and enforce all Covenants and Restrictions dealing with the property located in Highgrove Subdivision and any other purposes allowed by law.

ARTICLE 2
DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the meaning set forth in that certain Declaration of Covenants, Conditions and Restrictions for Highgrove Subdivision executed by Five Forks Properties, LLC., and duly recorded in the Register of Deeds Office for Greenville County, South Carolina, as the same may be supplemented and amended from time to time (the Declaration").

ARTICLE 3
MEETINGS OF MEMBERS

Section 3.1. Membership. The Members of the Association, hereinafter referred to as "Members," shall at all times be limited to the Declarant, the Approved Builders and Owners of Lots in Highgrove Subdivision.

Section 3.2. Annual Meetings. The first annual meeting of the Members shall be held on such date as determined by the Board of Directors within one year from the date of incorporation of the Association or during the first calendar year that Assessments are charged to the Owners. Each subsequent annual meeting of the Members shall be held on the day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. or on such other date and time as determined by the Board of Directors. If the day for the annual meetings of the Members is legal holiday, the meeting

will be held at the same hour on the first day following which is not a legal holiday.

Section 3.3. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-tenth (1/10) of all the votes appurtenant to the Lots.

Section 3.4. Place of Meetings. All meeting places of the Members shall be held at such place within Greenville County, South Carolina, as shall be determined by the Board of Directors of the Association.

Section 3.5. Notice of Meetings. Written notice of each meeting of the Members shall be given by mailing a copy of such notice by first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before the date of such meeting to each, Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 3.6. Membership List. An alphabetical list of the names of all Members who are entitled to vote and their addresses shall be prepared by the Secretary and shall be available for inspection by any Member beginning on the next business day after notice of any meeting is given and continuing through the meeting, at the Association's principal office or at a place identified in the meeting notice in the city where the meeting will be held. This list shall also be available at the meeting for inspection by any Member.

Section 3.7. Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of the Lots. There shall be two classes of Membership with respect to voting rights.

Class A. Class A Membership shall be all owners other than the Declarant and Approved Builders. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any single Lot.

Class B. The Class B Members shall be the Declarant and Approved Builders who shall be entitled to three (3) votes for each Lot they own.

Section 3.8. Relinquishment of Control. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (a) the date on which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership and no Additional Property remains which may reasonably be made subject to the terms of this Declaration;
 - (b) the expiration of ten (10) full years after the recording of the Declaration;
- or

(c) when the Declarant and Approved Builders elect by notice to the Association in writing to terminate their Class B memberships.

Section 3.9. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, sixty percent (60 %) of the votes appurtenant to the Lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the proceeding meeting.

Section 3.10. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing dated within eleven months prior to the meeting and filed with the Secretary. Every proxy shall be revocable by (i) appearing at the meeting and voting in person, (ii) filing a valid substitute proxy or cancellation of proxy with the Secretary prior to the call to order of the Meeting, or (iii) conveyance by the Member of his Lot.

Section 3.11. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business at the meeting or any adjournment thereof notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 3.12. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

Section 3.13. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if: (i) a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book; or (ii) such action is approved by written ballot as authorized by South Carolina Section 33-31-708.

ARTICLE 4 BOARD OF DIRECTORS

Section 4.1. Number. The business and affairs of the Association shall initially be managed by a Board of three directors, who will be appointed by Declarant during for so long as there is a Class B Membership. At the first annual meeting of the Members following termination of the Class B Membership, a Board of five directors shall be elected as described in Section 4.4.

Section 4.2. Initial Directors. The initial directors shall be selected by the Declarant. Such initial directors shall serve for one year terms, or at the election of the Declarant, from the date upon

which the Declaration is recorded in Greenville County until such time as the Class B Membership terminates and their successors are duly elected and qualified.

The name of the persons who shall serve on the initial Board of Directors from the date upon which the Declaration is recorded in Greenville County until such time as their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Daniel E. Youngblood -----	1909 East Main St., Easley, S.C. 29640
Tom Smith -----	1909 East Main St., Easley, S.C. 29640
Kent McKown -----	218 Trade St., Greer, S.C. 29651

Section 4.3. Nomination. Following the expiration of the Class B Membership, nomination for the election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 4.4. Election. Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4.5. Term of Office. The term of all successor directors elected by the Members shall expire at the next annual meeting of Members; provided, however, the Directors shall continue to serve until their successors are elected and qualified or until their earlier resignation, removal from office, incapacity, or death.

Section 4.6. Removal. Any Director may be removed by the Declarant, with or without cause, as long as there exists Class B Membership. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a director, his/her successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his/her predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors.

Section 4.7. Compensation. No Director shall receive compensation for any services (s)he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his/her duties.

Section 4.8. Salaries of Employees and Agents. Except as provided elsewhere in the Bylaws, the Board of Directors shall set the salaries of all employees and agents of the Association.

MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Meetings of the Board of Directors shall be held on a regular basis as often as the Board of Directors sees fit, but no less often than annually, on such days and at such place and hour as may be fixed from time to time by any resolution of the Board of Directors. Should said meetings fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 5.2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 5.3. Notice of Meetings. Notice of each special meeting of the Board of Directors, stating the time, manner and place of the meeting, shall be given by or at the direction of the Secretary of the Association by mailing the same to each Director at his/her residence or business address not fewer than three (3) days before each such meeting, or by giving the same to each personally or telegraphing or telephoning the same to each at his/her residence or business address not later than the day before the day on which the meeting is to be held.

Any and all requirements for call and notice of meetings may be dispensed with if all Directors are present at the meeting or if those not present at the meeting shall at anytime waive or have waived notice thereof.

Section 5.4. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.5. Informal Action by Directors. Action taken by a majority of the Directors without a meeting is nevertheless a Board of Directors action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.

Section 5.6. Chairman. A Chairman of the Board of Directors shall be elected by the Directors and shall preside over all Board of Directors meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and shall serve until a new President is elected.

Section 5.7. Liability of the Board of Directors. The Members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the Members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

ARTICLE 6
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1. Powers. The Board of Directors shall have power to:

- (a)** adopt and publish rules and regulations governing the use of the Common Area and facilities, including but not limited to any Recreational Facilities and the personal conduct of the Members, their guests thereon, and to establish penalties for the infraction thereof;
- (b)** suspend the voting rights and the right to use of the Recreational Facilities of a Member, including the rights to use the Recreational Facilities, or other Common Area during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such right may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for an infraction of published rules and regulations.
- (c)** exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to any Committee, the Membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.
- (d)** declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e)** employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties;
- (f)** employ attorneys to represent the Association when deemed necessary;
- (g)** grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under and across the Common Area without the assent of the Membership when such easements are requisite for the convenient use and enjoyment of the Property;
- (h)** appoint and remove at pleasure all officers, agent and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient;
- (i)** do anything necessary or desirable, including, but not limited to, establishing any rules and regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law;
- (j)** to enforce the provisions of the Declaration and any Additional or Supplementary Declaration and any rules or regulations made hereunder or thereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules and/or by Special Individual Assessments against any Owner for violation of such provisions, rules or regulations pursuant to the provisions of the Declaration; and
- (k)** to levy assessments as more particularly set forth in the Declaration.

Section 6.2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members entitled to at least one-third (1/3) of the votes appurtenant to the Lots.

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are performed;

(c) As more fully provided in the Declaration:

(1) Fix the amount of the assessments as more particularly described in the Declaration;

(2) Send written notice of each assessment to every Owner subject thereto before its due date; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid (A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment);

(e) procure and maintain adequate liability insurance covering the Association and the Directors and Officers thereof and procure and maintain, or supervise the Townhouse Committee in its procuring and maintaining, adequate hazard Insurance on the property owned by the Association or required to be insured using Assessment funds under the Declaration.

(f) cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Areas to be maintained.

**ARTICLE 7
OFFICERS AND THEIR DUTIES**

Section 7.1. Officers. The Officers of the Association shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create.

Section 7.2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3 Term. Each Officer of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or until his/her death, resignation, retirement, removal, disqualification, or his/her successor is elected and qualifies.

Section 7.4. Special Appointments. The Board of Directors may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine.

Section 7.5. Resignation, Removal and Vacancies. Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7.6. Multiple Officers. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.7. Compensation. No Officer shall receive any compensation from the Association for acting as such.

Section 7.8. Duties. The duties of the Officers are as follows:

President

(a) The President shall be the principal executive Officer of the Association and subject to the control of the Board of Directors, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see the orders and resolutions of the Board of Directors are carried out; shall sign all Leases, Mortgages, Deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by him by the Board of Directors.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meeting and proceedings of the Board of Directors and of the Members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board of Directors and of the Members, shall keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, shall keep proper books of account, shall cause an annual audit of the Association books to be made by public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE 8 COMMITTEES

Section 8.1. Townhouse Committee. The Townhouse Committee shall be composed of three individuals, who will be appointed by Declarant for so long as there is a Class B Membership. At the first annual meeting of the Members following termination of the Class B Membership, the elected Board of Directors, by resolution, shall confirm a vote of the Townhouse Lot Owners (electing the members of the Townhouse Committee), and thereby, the Board shall designate a Townhouse Committee to consist of three (3) or more of the Townhouse Lot Owners. Thereafter, the Townhouse Lot Owners shall vote to elect the members of the Townhouse Committee in accordance with the terms of the original resolution. Each elected member of the Townhouse Committee shall serve a one-year term; provided, however, the such committee members shall continue to serve until their successors are elected and qualified or until their earlier resignation, removal from office, incapacity, or death. Subject to the terms of any enabling resolution, the Townhouse Committee shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association, but only insofar as such business and affairs exclusively involve the Townhouse Lots or as needed for the Townhouse Committee to perform its responsibilities identified in the Declaration. In this capacity, the Townhouse Committee may do all things, including actions specified by these Bylaws to be performed by the Board of Directors, in the same manner and with the same authority and effect as if such acts had been performed by the Board of Directors. The purpose and intent of the Townhouse Committee, and the administrative structure of the Association as a whole, is to provide the needed autonomy to the Townhouse Lot Owners so that they make act as a group to address issues unique to them, while also providing for a singular community under a singular Association and one governing Board of Directors. Accordingly, the Board of Directors shall at all times have the power to amend the Townhouse Committee enabling resolution or reverse an action taken by the Townhouse Committee, provided that the exercise of such power by the Board of Directors shall not in any way abrogate the obligations or duties owing by the Association to third parties who have acted in reliance on the action taken by such Townhouse Committee and provided further, that such amendment or reversal must be accompanied by a confirming vote of a majority of the Townhouse Lot Owners.

All proceedings and actions taken by such Committee shall be reported to the Board of Directors at the regular meeting of the Board of Directors or special meeting called for such purpose next following such proceedings or action.

Section 8.2. Nominating Committee. The Association shall appoint a Nominating Committee, as provided in these Bylaws.

Section 8.3. Other Committees. The Board of Directors may create such other committees as the Board of Directors may from time to time appoint.

Section 8.4. Compensation. Members of Committees, as such, shall not receive any salary or compensation for their services; provided, however, that a committee member may serve the Association in another capacity and receive compensation therefore, and a committee member may be reimbursed for actual expenses incurred in the performance of his/her duties.

ARTICLE 9 BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE 10 ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual Assessments and Special Assessments, as defined in the Declaration. Any assessments (including but not limited to Special Individual Assessments) which are not paid when due shall be delinquent. If an assessment is not paid by its due date, as set forth in the Declaration, the assessment shall bear interest from such due date at the rate of twelve percent (12%) per annum or the highest rate then permitted by law, whichever is less, plus such late charge as may be established by the Board of Directors, and the Association may bring an action at law against the Member personally obligated to pay the same. The late charges, costs of collection and reasonable attorneys' fees related to any such action shall be added to the amount of such assessment, all in accordance with the provisions of the Declaration. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the property. Notwithstanding the above, and as more fully set forth in the Declaration, the Declarant shall have no obligation to pay assessments and the Approved Builders shall pay one-half (1/2) of the assessments for each Lot owned.

ARTICLE 11 CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Highgrove Property Owners Association, Inc.

ARTICLE 12 AMENDMENTS

Section 12.1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of at least two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present in person or by proxy.

Notwithstanding anything in this Section 12.1, to the contrary, the Class B Members may at their option amend these Bylaws without obtaining the consent or approval of any other person or entity if such amendment is necessary to cause these Bylaws to comply with requirements of the VA and Federal National Mortgage Association or similar agency.

Section 12.2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 13 MISCELLANEOUS

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January and the end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE 14 INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the extent permitted by law, the Association shall indemnify any Director, Officer, Committee Member, or former Director or Officer of the Association, or any other person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually or reasonably incurred in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which (s)he is made a party or was (or is threatened to be made) a party by reason of being or having been such Director, Officer or Committee Member, except in relation to matters as to which (s)he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty, or in relation to a proceeding by or for the right of the Association in which a Director, Officer or Committee Member was adjudged liable to the Association or in relation to a proceeding where a Director, Officer or Committee Member was adjudged liable on the basis that personal benefit was improperly received by that Director, Officer or Committee Member.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of Members or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

The Association may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a Director or Officer of the Association, or is or was serving at the request of the Association as a Director or Officer of the Association, or is or was serving at the request of the Association as a Director or Officer of another corporation, partnership,

joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article 14, or elsewhere in these Bylaws, shall operate to indemnify any Director or Officer if such indemnification is for any reason contrary to any applicable state or federal law.

NOW THEREFORE, these Bylaws are ratified and adopted by the Association, this ____ day of _____, 2005 as evidenced by the signature of the Association President and attestation of the Secretary.

HIGHGOVE PROPERTY OWNERS ASSOCIATION, INC.

By: _____
Daniel Youngblood, President

Attestation:

By: _____
Tom Smith, Secretary