

BYLAWS OF
THE WATERFRONT CLUB HOMEOWNERS
ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

Section 1.01. **Name**. The name of the corporation is The Waterfront Club Homeowners Association, Inc. (the "Association").

Section 1.02. **Location**. The initial principal office and registered office of the Association shall be located at 1031 S. Caldwell Street, Suite 200, Charlotte, Mecklenburg County, North Carolina 28203. The registered office of the Association may be, but need not be, identical with the principal office.

ARTICLE II
DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment to these Bylaws (unless the context shall otherwise require or unless otherwise specified) shall have the meanings set forth in that certain Declaration of Covenants, Conditions and Restrictions for The Waterfront Club entered into by Caldwell Timber Partners, LLC, a Colorado limited liability company ("Declarant"), and duly recorded in the Office of the Register of Deeds for Caldwell County, North Carolina (as amended and/or supplemented from time to time, the "Declaration").

ARTICLE III
MEETINGS OF MEMBERS

Section 3.01. **Annual Meetings**. The annual meeting of the Members shall be held each calendar year at a date and time designated by the Board.

Section 3.02. **Special Meetings**. Special meetings of the Members may be called at any time by (a) the President, (b) a majority of the Board or (c) by the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at a proposed special meeting upon the delivery to the Association's Secretary of one or more signed and dated written demands describing the purpose or purposes for which it is to be held. Any such special meeting called by the Members in the manner described in (c) above shall be held within thirty (30) days after the delivery of such written demand by the holders of at least ten percent (10%) of the votes entitled to be cast at such meeting.

Section 3.03. Place of Meetings. All meetings of the Members shall be held at such place, within Mecklenburg County, North Carolina, as shall be determined by the Board.

Section 3.04. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Association's Secretary or other person authorized to call the meeting, by mailing a copy of the notice not less than ten (10) days nor more than sixty (60) days before the date of such meeting to each Member. Each notice of meeting shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3.05. Membership in the Association. Each and every Owner of a Lot shall automatically become and be a Member. In addition, for so long as Declarant owns any part of the Property, Declarant shall be Members.

Section 3.06. Voting Rights. Members shall be entitled to one (1) vote for each Lot owned by such Member. When more than one Person owns an interest (other than a leasehold or security interest) in any Lot, all such Persons shall be Members and their voting rights shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot. At any meeting of the Members, a representation by any one such Owner that the Owners of the Lot have agreed to a vote shall be conclusive unless another such Owner contests such representation at such meeting prior to the casting of such vote. During the Declarant Control Period, all matters hereunder that are indicated as being subject to the vote of the Members, shall be decided by the Declarant in its sole and absolute discretion, and the vote of the Members as described herein is intended to affect only those matters requiring a vote that arise after the Declarant Control Period.

Section 3.07. Quorum and Voting. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes entitled to be cast by all classes of the Members shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. During the Declarant Control Period, the Declarant or Declarant's proxy must be present at the meeting for there to be a quorum. If, however, such quorum is not 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 preceding meeting.

Section 3.08. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Association's Secretary. Every proxy shall be revocable, and shall automatically cease upon conveyance of a Member's Lot.

Section 3.09. Action by Members. Except as may be otherwise specifically set forth in the Declaration, the Articles or these Bylaws, the vote of a simple majority of all votes entitled to be cast by those Members present or represented by legitimate proxy at a legally constituted meeting at which a quorum is present, shall be the act of the Members. Notwithstanding the above, the affirmative vote of no less than seventy-five percent (75%) of all votes entitled to be cast by all Members shall be required in order for the Association to (a) file a complaint, on account of an act or omission of Declarant, with any governmental agency which has regulatory or judicial authority over the Subdivision or any part thereof; or (b) assert a claim against or sue Declarant.

Section 3.10. 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 of the time and place of such meeting, 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 3.11. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members 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.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01. Number and Appointment. The business and affairs of the Association shall be managed by a Board of at least three (3) directors (each a "Director"). The number of Directors can be increased by a majority vote of the Association at least 60 days prior to any Election of a Director. The directors need not be Members. Prior to the expiration of the Declarant Control Period, Declarant shall appoint all Directors to the Board. From and after the end of the Declarant Control Period, the Members shall elect all Directors to the Board, as provided by these Bylaws thereafter. Prior to the expiration of the Declarant Control Period, Declarant may relinquish their right to appoint all Directors to the Board, or may instead relinquish its right to appoint one or more, but less than all, of the Directors. In the event of any such partial relinquishment, the Members of the Association shall elect the Directors not appointed by Declarant. At any time after any such partial relinquishment, provided that Declarant still owns any Lot or other portion of the Property, Declarant may reassert its right to appoint Directors previously elected by the Association, and may remove any such previously elected Director or Directors and appoint their replacements to serve their unexpired terms.

Section 4.02. Initial Directors. The initial Directors shall be those persons named in the Articles. Such initial Directors shall serve from the date upon which the Declaration is recorded in the Caldwell County Public Registry, until such time as their successors are duly appointed or elected and qualified.

Section 4.03. Nomination. Subject to Section 4.01, the procedure set forth in this Section shall apply with regard to the nomination of Directors. Nominations for election to the Board may be made by a Nominating Committee appointed to the Board. Nominations may also be made from the floor at any annual meeting. The Nominating Committee, if appointed, shall consist of a Chairman, who shall be a Member or a member of the Board, and two (2) or more Members. The Nominating Committee may be appointed by the Board prior to the annual meeting following the first election of Directors and each annual meeting of the Members thereafter, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Prior to the relinquishment by Declarant of their right to

appoint members of the Board, Declarant may appoint a Nominating Committee at its discretion to nominate Members for election to the Board for those positions on the Board, if any, to be filled by election of Members.

Section 4.04. Election. Except as provided in Section 4.01, 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 Articles, these Bylaws and the Declaration. Cumulative voting is not permitted.

Section 4.05. Term of Office. Each Director shall hold office for the term for which he was appointed or elected, or until his death, resignation, retirement, removal, disqualification, or until his successor is appointed or elected and qualified. Subject to Section 4.01, at the first election of Directors, the Members shall elect two (2) members of the Board for a term of two (2) years, who shall be the persons receiving the first and second largest number of votes, and one (1) member of the Board for a term of one (1) year, who shall be the person receiving the third largest number of votes. At all annual elections thereafter but subject to Section 4.01, Director(s) shall be elected by the Members to succeed the Director(s) whose term(s) then expire(s), and thereafter each Director's term shall be two (2) years. Nothing herein contained shall be construed to prevent the election of a Director to succeed himself. Votes shall be tallied at the meeting where they are so cast and, in the event of a tie vote, a run-off election shall be conducted at the same meeting.

Section 4.06. Removal. Subject to Section 4.01, any Director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of the death, resignation or removal of a Director, his successor shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors or, if applicable, not appointed by Declarant.

Section 4.07. Compensation. No Director shall receive compensation for any service he or she may render to the Association; however, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 5.01. Regular Meetings. Meetings of the Board shall be held on a regular basis as often as the Board sees fit on such days and at such place and hour as may be fixed from time to time by resolution of the Board. If any meeting falls 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 5.02. Special Meetings. Special meetings of the Board 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 5.03. 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.

Section 5.04. Informal Action by Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to such action is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5.05. Chairman. A Chairman of the Board shall be elected by the Directors and shall preside over all Board 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 and serve until a new President is elected.

Section 5.06. Participation by Conference Telephone. Any one or more Directors may participate in a meeting of the Board by means of a conference telephone or similar communications device that allows all Directors participating in the meeting to simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed presence in person at such meeting.

ARTICLE VI

POWERS OF THE BOARD

The Board, for the benefit of the Members, shall have the following specific powers and rights (without limitation of other powers and rights the Board may have):

Section 6.01. Rules and Regulations. To make reasonable rules and regulations for the use and operation of the Common Elements, Located Easements, and the conduct of Owners and other Persons occupying or otherwise located on the Property; and to establish procedures for the violation of such rules and regulations; and to amend such rules, regulations and procedures from time to time;

Section 6.02. Agreements. To enter into the following agreements (including acceptance of assignment and assumption of agreements originally entered into by Declarant):

- (a) Agreements with the appropriate governmental authorities to enable the Association to improve and maintain the Common Elements and Located Easements or portions thereof,
- (b) Agreements with insurance companies with respect to insurance coverage relating to the Common Elements and Located Easements and/or the Association;
- (c) Agreements with utility companies with respect to utility installation, consumption and service matters relating to the Common Elements and Located Easements and/or the Association;
- (d) Agreements to maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;
- (e) Agreements with any third party or any Member (including, without limitation,

Declarant) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms of the Declaration and these Bylaws, upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interests of the Association;

Section 6.03. Borrowing Funds. Subject to the affirmative vote of no less than a majority of all votes present, in person or by proxy, at a duly held meeting of the Members at which a quorum is present, all in accordance with these Bylaws, to borrow funds to pay costs of operation of the Association, which borrowings may be secured by assignment or pledge of rights against delinquent Owners or by liens on other Association assets, if the Members see fit; provided; however, until such time as Declarant no longer own any portion of the Property, the Board may not mortgage any portion of the Common Elements without the prior written approval of Declarant;

Section 6.04. Legal Action. To the extent permitted in the Declaration and these Bylaws, to sue or defend in any court of law in behalf of the Association;

Section 6.05. Assessments. To levy Assessments in accordance with the provisions of the Declaration;

Section 6.06. Insurance Matters. To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property of the Association and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency;

Section 6.07. General Exercise of Powers. To exercise for the Association all powers, duties and authority vested in or delegated by the Declaration, these Bylaws, or the Articles to the Association and not reserved to the Members or Declarant by other provisions of the Declaration, these Bylaws or the Articles;

Section 6.08. Vacancy on Board. To declare the office of a member of the Board to be vacant in the event such member shall be absent, without the consent of the Board, from three (3) consecutive regular meetings of the Board;

Section 6.09. Property Management. To employ a manager or firm to manage the affairs and property of the Association, to employ independent contractors or such other employees as the Board may deem necessary, and to prescribe their duties and to set their compensation;

Section 6.10. Professional Services. To retain the services of legal, accounting and other professional firms;

Section 6.11. Bonding. To cause all officers or employees having fiscal responsibilities to be bonded, as and if the Board may deem appropriate;

Section 6.12. Enforcement. To the extent permitted in the Declaration and these Bylaws, to enforce the provisions of the Declaration and any rules made thereunder or hereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules and/or by Individual Assessments against any Owner for violation of such provisions or rules pursuant to the provisions of the Declaration;

Section 6.13. Easements. To grant all necessary easements, licenses, and rights-of-way over and across the Common Elements when in its sole discretion it deems such an action to be necessary and appropriate, including, but not limited to, easements for the installation and maintenance of electrical, telephone, cablevision, water, sewerage and other utilities and drainage facilities; provided, however, until such time as Declarant no longer owns any portion of the Property, the Board may not grant such an easement or right-of-way without the prior written approval of Declarant;

Section 6.14. Conveyance of Common Elements. Subject to the requirements of the Act, to convey fee simple title to all or any part of the Common Elements when in its sole discretion it deems such an action to be necessary and appropriate; provided, however, until such time as Declarant no longer owns any portion of the Property, the Board may not convey any portion of the Common Elements without the prior written approval of Declarant;

Section 6.15. Other. To take any and all other actions, and to enter into any and all other agreements as may be necessary or proper for the fulfillment of its obligations under the Declaration or these Bylaws or for the operational protection of the Association; and

Notwithstanding anything contained herein to the contrary, none of the above-described rights and powers of the Board shall be obligatory on the part of the Board, and the failure or refusal by the Board to implement any such rights and powers shall not constitute a breach or default by the Board of any duties or obligations arising hereunder or otherwise owing to the Members.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 7.01. Officers. The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, and such other officers as the Board may create by resolution from time to time.

Section 7.02. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 7.03. Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year or until his or her death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 7.04. Special Appointments. The Board 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 may determine from time to time.

Section 7.05. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. 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 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.

Section 7.06. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7.07. Multiple Offices. 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 7.04.

Section 7.08. Compensation. No officer shall receive any compensation from the Association for acting as such, but may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 7.09. Duties. The duties of the officers, unless otherwise stated by a resolution of the Board, are as follows:

(a) **President:** The President shall be the chief executive officer of the Association, and subject to the control of the Board, shall supervise and control the management of the Association. The President shall perform the following duties (i) preside at all meetings of the Board; (ii) see that orders and resolutions of the Board are carried out; (iii) sign leases, mortgages, deeds, and other written instruments; and all promissory notes, if any;

(b) **Vice-President:** 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 the Board;

(c) **Secretary:** The Secretary shall perform the following duties: (i) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; (ii) keep the corporate seal, if any, of the Association and affix it on all papers requiring said seal; (iii) serve notice of meetings of the Board and of the Members; (iv) keep appropriate current records showing the members of the Association together with their addresses; and (v) perform such other duties as required by the Board; and

(d) **Treasurer:** The Treasurer shall perform the following duties to the extent they are not delegated to a managing agent: (i) receive and deposit in appropriate bank accounts all monies of the Association; (ii) disburse such funds as directed by resolution of the Board; (iii) sign all checks and promissory notes of the Association; (iv) keep proper books of account; and (v) prepare an annual report to be presented to the Members at the Members' annual meeting, and deliver a copy of such report to the Members.

ARTICLE VIII

COMMITTEES

Subject to Section 4.01 the Board may appoint a Nominating Committee as provided in Section 4.03. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX
BOOKS AND RECORDS

The books, records and papers of the Association shall be subject to inspection by any Member or Mortgagee, at the principal office of the Association. In addition, the Declaration, the Articles and the Bylaws shall be available for inspection by any Member or Mortgagee at the principal office of the Association, where copies may be purchased at reasonable cost. The Board may create reasonable rules and regulations concerning the method by which notice of a request to inspect and/or copy shall be given, the days and hours during which documents may be inspected and/or copied, and the fees associated with copies.

ARTICLE X
ASSESSMENTS

As described more particularly in the Declaration, each Member is obligated to pay Assessments established by the Association. Any Assessments which are not paid when due shall be delinquent. If an Assessment is delinquent, as more particularly described in the Declaration, the Assessment shall bear interest from the due date until the date such Assessment and interest thereon is paid at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same or foreclose the lien against the portions of the Property and Improvements thereon owned by the defaulting Owner as of the Assessment due date. Additionally, the late charges, costs of collection and reasonable attorneys' fees related to any such action or foreclosure shall be added to the amount of such Assessment, all as more particularly described in the Declaration. No Owner may exempt himself or herself from liability for Assessments or waive or otherwise escape liability from the Assessments by non-use of the Common Elements or abandonment of his or her property.

ARTICLE XI
CORPORATE SEAL

The Association may have a seal circular in form having within its circumference the name of the Corporation, the state of its incorporation, the year of its incorporation, and the word "SEAL."

ARTICLE XII

AMENDMENTS

Section 12.01. Amendment by Members. Subject to the limitations hereinafter contained, the Articles and the Bylaws may be amended or modified at any time by a vote of no less than fifty-one percent (51%) of all votes entitled to be cast by the Members, which vote is taken at a duly held meeting of the Members at which a quorum is present, all in accordance with these Bylaws. Provided, however, if fifty-one percent (51%) of all votes entitled to be cast by the Members is not obtained at

such a meeting, then the Articles and these Bylaws may be amended by obtaining the vote of fifty-one percent (51%) of all votes present at such a meeting and by, within ninety (90) days of such vote, obtaining written consent to such amendment by Members holding a sufficient number of votes to comprise, along with such voting Members, a total of fifty-one percent (51%) of all votes entitled to be cast by Members. Further provided, that (i) any amendment or modification of the second sentence of Section 3.10 shall require the affirmative vote of no less than seventy-five (75%) of all votes entitled to be cast by Members, and (ii) any amendment or modification to the Articles and these Bylaws must be consented to by Declarant during the Declarant Control Period, which consent Declarant may grant or withhold in their sole discretion.

Section 12.02. Amendment by Declarant. Declarant, without obtaining the approval of any other Member, may make amendments or modifications to the Articles and these Bylaws which: (a) are correctional in nature only and do not involve a change which materially adversely affects the rights, duties or obligations specified in the Articles or these Bylaws; (b) apply only to the portions of the Property then owned by Declarant; (c) are necessary to bring these Bylaws into compliance with any applicable statute, rule, regulation, ordinance or judicial determination; or (d) are necessary to enable any title insurance company to issue title coverage on the Property, or any institutional or governmental lender to make or insure loans on the Property.

Section 12.03. Effectiveness. Any amendment or modification effected pursuant to this Article XII shall become effective with respect to these Bylaws when an instrument is filed of record in the Public Registry; provided, however, such an amendment or modification, in lieu of being executed by the Members voting for such amendment or modification, may contain a certification of the Secretary of the Association stating that the amendment or modification has been voted on and approved by the requisite number of votes of the Members, as provided in this Article XII. Any amendment or modification of the Articles effected pursuant to this Article XII shall become effective when an amendment or modification is filed of record in the Office of the North Carolina Secretary of State of North Carolina.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 13.02. Controlling Authority. In the case of any conflict between the Articles and the Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and the Bylaws or the Articles, the Declaration shall control.

ARTICLE XIV

LIABILITY LIMITS; INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

Section 14.01. Limitation on Liability. Neither Declarant, nor any Member, nor the Board, nor the Association, nor any officers, directors, agents or employees of any of them shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether or not such other Member was acting on behalf of the Association or otherwise. Neither Declarant, nor the Association, nor their directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, Improvements or portions thereof or for failure to repair or maintain the same. Neither Declarant, the Association nor any other Person making repairs or maintenance shall be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, Improvements or portions thereof.

Section 14.02. Indemnification. The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board from and against any and all loss, cost, expense, damage, liability, claim, action or cause of action arising from or relating to the performance by the Board of its duties and obligations, except for any such loss, cost, expense, damage, liability, claim, action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be indemnified.

The Association shall indemnify any director or officer or former director or officer of the Association or any 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 and reasonably incurred by him or her 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 he or she is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty.

The indemnification provided herein is not exclusive of any other rights to which those indemnified may be entitled under any statute, these Bylaws, agreement, vote of Members or disinterested directors or otherwise, both as to action in his or her 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.

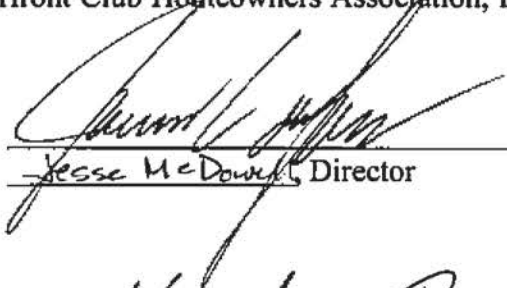
Section 14.03. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability.

Section 14.04. Limitations on Indemnification. The Association's indemnity 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 the Association, or is or was serving at the

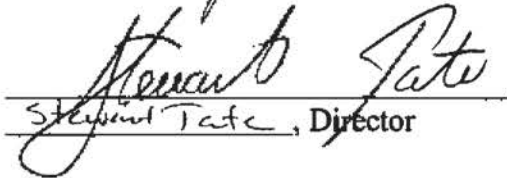
request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his or her behalf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

Nothing contained in this Article XIV, 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.

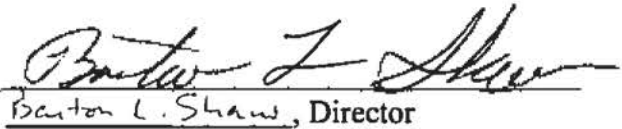
Adopted by the undersigned Directors of The Waterfront Club Homeowners Association, Inc. as of this 14th day of June, 2018.



Jesse McDowell, Director



Stewart Tate, Director



Barton L. Shaw, Director