

BY-LAWS

OF

MUSSELMAN SQUARE HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I. OFFICES

The principal office of the corporation located at 5827 Wessex Lane, Alexandria, Virginia 22310. The corporation may have such other offices, either within or without the State of West Virginia as the Board of Directors may designate or as the business of the corporation may require from time to time.

ARTICLE II. MEMBERSHIP

SECTION 1. Membership. The Association shall have two classes of voting membership:

Class A: Class A members shall be all owners, with the exception of Developer. There shall be one 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, and the secretary of the Association shall be notified of such designation prior to any meeting. In the absence of such advice, the vote allocated to the voting unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote.

Class B: Class B members shall be the Developer and any successor of Developer who takes title to all or part of Musselman Square for the purpose of development and sale and who is designated as successor Developer in a recorded instrument executed by Developer. Class B members shall be entitled to three votes for each lot owned. Class B membership shall terminate upon either voluntary termination by Developer on January 1, 2000, whichever event first occurs.

Lots owned by Class B members shall be exempt from the payment of all assessments as described in these By-Laws, the Declaration of Covenants and Restrictions of Musselman Square, or the Musselman Square documents.

SECTION 2. Proof of Membership. Any person or entity, on becoming an owner of a lot, shall furnish to the manager or to the

secretary of the Association a photocopy or a certified copy of the recorded instrument vesting that person or entity with an ownership interest, which instrument shall remain in the files of the Association. An owner shall not be deemed to be a member of the Association in good standing and shall not be entitled to vote at any annual or special meeting of members unless this requirement is first met.

ARTICLE III. MEETINGS, QUORUM, VOTING, PROXIES

SECTION 1. Annual Meeting. The annual meeting of the members shall be held on the 1st Saturday in the month of March in each year, beginning in the year 1991, at the hour of 10:00 a.m., for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of West Virginia, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

SECTION 2. Special Meetings. Special meetings of the members may be called by the president of the Association or by the Board of Directors, or upon written request of the members who are entitled to vote one-tenth of all of the votes of the Class A membership.

SECTION 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of West Virginia unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation in the State of West Virginia.

SECTION 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of special meeting, the purpose or purposes for which the meeting is called, shall

unless otherwise prescribed by statute, be delivered not less than ten nor more than twenty days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership books of the corporation, with postage thereon prepaid.

SECTION 5. Voting by Mail. The Board of Directors may decide that voting of the members shall be by mail with respect to any properly noticed matter, any particular election of Directors, any proposed amendment of any of the Musselman Square documents, or adoption of a proposed plan of merger, consolidating, or dissolution. In the case of a vote by mail relating to any properly noticed matter, or any proposed amendment to any of the Musselman Square documents, or adoption of a proposed plan of merger, consolidation, or dissolution, the secretary shall give written notice to all members, which notice shall include: (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that such persons are entitled to vote by mail for or against such proposal, (iii) a statement of date not less than 20 days after the date such notice shall have been given by which all votes must be received, and (iv) the specified address of the principal office of the corporation to which all votes must be sent. Votes received after the date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than two-thirds of the votes of each class entitled to the cast on such question. Delivery of a note in writing to the principal office of the corporation shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section.

SECTION 6. Proxies. Any member may cast such member's vote in person or by proxy, but no proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in

the proxy. Proxies shall be filed with the secretary of the corporation before or at the time of the meeting.

SECTION 7. Designation of Voting Representative and Voting by Certain Members. If title to a lot is held by more than one individual, by a firm, corporation, partnership association, or other legal entity, or any combination of such parties, a proxy must be executed and filed with the secretary appointing and authorizing one person or alternate persons (who may be a tenant of the owner) to attend all annual and special meetings of Association members and to cast the vote or votes allocated to that lot at the meeting. Such proxy shall be effective and remain in force for eleven months from the date of its execution unless voluntarily revoked, amended, or sooner terminated by operation of law; provided, however that within 30 days after such revocation, amendment, or termination, the owner or owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this section.

The administrator, executor, guardian or conservator of an estate having a membership in the corporation shall be voted by such administrator, executor, guardian or conservator, either in person or by proxy, without a transfer of membership into his name. A trustee may vote, either in person or by proxy, but no trustee shall be entitled to vote without a transfer of the membership into the name of the trustee.

If a receiver has control of a lot, such receiver may vote, either in person or by proxy, without the transfer thereof of the membership into the name of the receiver if authority to do so be contained in an appropriate order of the Court by which such receiver was appointed.

SECTION 8. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, on-fourth of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Musselman Square documents. If, however, such quorum shall not be present or represented at the meeting, the members entitled to vote at the

meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

SECTION 9. Membership Lists. The officer or agent having charge of the membership books of the corporation shall make a complete list of the members entitled to vote at each meeting of members or any adjournment thereof, arranged in alphabetical order, with the address of and the number of votes held by each. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time for the purposes thereof.

SECTION 10. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place of the meeting, unless such member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

SECTION 11. Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring there.

SECTION 12. Informal Action by Members. Unless otherwise provided by law, any action required to be taken at a meeting of the members, or any other 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 entitled to vote with respect to the subject matter thereof.

ARTICLE IV. BOARD OF DIRECTORS:

SELECTION; TERM OF OFFICE

SECTION 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

SECTION 2. Number, Tenure and Qualifications. The number of Directors of the corporation shall be three. Each Director shall hold office until the next annual meeting of members and until his successor shall have been elected and qualified.

SECTION 3. Directors During Developer Control. As long as the Class B Membership exists, the Board of Directors shall be selected by Developer and shall serve at the sole discretion of Developer. Developer may surrender its right to select the Board of Directors prior to termination of the Class B membership. The directors selected by Developer need not be members of the Association.

SECTION 4. Nominating Committee. Except with respect to directors selected by Developer, nominations for election to the Board of Directors shall be made by a Nominating Committee, consisting 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 not less than 30 days prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such 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 in no event less than the number of vacancies or terms to be filled by vote of the members. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

SECTION 5. Election of Directors. Directors shall be elected as follows:

(i) During Class B membership. As long as the Class B membership exists, the Board of Directors shall be selected by Developer and shall serve at the sole discretion of Developer.

(ii) Subsequent to Termination of Class B Membership. At the first meeting of the members following termination of the Class B Membership, the terms and all Class B directors shall terminate and the Class A members shall elect all members of the Board of Directors. At each annual meeting of members thereafter directors shall be elected. Cumulative voting shall not be permitted.

(iii) Terms of Office. The initial terms of the elected directors shall be fixed at the time of their election as they themselves shall determine in order to establish a system of three-year terms in which at least one-third of the Board is reelected in each year, and the Board shall identify in which year the directorships for each category representation are subject to re-election. At the expiration of the initial terms of office of each respective director, a successor shall be elected to serve three years. Each director shall hold office until such director's successor shall have been elected by the Association and qualified.

SECTION 6. Removal of Directors; Vacancies. Directors may be removed and vacancies on the Board may be filled as follows:

(i) By the Members. During the term of Class B membership in the Association, any members of the Board of Directors may be removed by a majority of votes of the Class B members, with or without cause, at any regular or special meeting of the members duly called. Following termination of the Class B membership, any director may similarly be removed, with or without cause by any regular or special meeting of the membership. A successor to any director removed may then and there be elected to fill the vacancy created. Any director whose removal was proposed by the members shall be given at least ten (10) days notice of the date and purpose of the meeting and shall be given an opportunity to be heard at the meeting.

(ii) By the Board. Any director who has three consecutive unexcused absences from Board meetings or who is

delinquent in the payment of an assessments for more than thirty days may be removed by a majority vote of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor. Any director appointed by the Board shall serve for the remainder of the term such successor was appointed to fill. If such removed director represented a certain category of representation, the director appointed to fill the vacancy shall also represent that category.

(iii) Compensation. No director shall receive compensation for any service he or shall may render to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of such director's duties.

(iv) Action Taken Without a Meeting. The directors shall have the right to take any action which they could take at a meeting in the absence of a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V. MEETINGS OF DIRECTORS

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the meeting 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 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 days' notice to each director.

SECTION 3. 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 4. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or whenever held, shall be as valid as those taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

SECTION 5. Telephonic Participation. One or more Directors may participate in any regular or special meeting of the Board by telephone conference call and those Directors so participating shall be counted for quorum purposes.

ARTICLE VI. POWERS AND DUTIES
OF THE BOARD OF DIRECTORS

SECTION 1. General. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may do all such acts and things as are not by law or by the Articles of Incorporation, these By-Laws or the Declaration directed to be exercised or done by the members.

SECTION 2. Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 1 above, the Board of Directors shall be empowered and shall have the powers and duties as follows:

(i) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the declaration.

(ii) To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of Musselman Square, with the right to amend same from time to time. A copy of such rules and regulations

shall be delivered to or mailed to each member promptly after adoption.

(iii) To keep in good order, condition, and repair all the common area and all items of personal property, if any, used in the enjoyment of the common area. No approval of the members is required for expenditures for these purposes, except as otherwise required by the declaration.

(iv) To insure and keep insured all the insurable property contained in the common area and to maintain casualty and other insurance, all as required by the declaration.

(v) To fix, determine, levy and collect the prorated annual assessments to be paid by each of the members towards the gross expenses of the Association, and to adjust, decrease, or increase the amount of the assessments, and to credit any excess of assessments over expenses and cash reserves to the members against the next succeeding assessment period.

(vi) To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special assessments shall be in statement form and shall set forth in detail the various expenses for which the assessments are being made.

(vii) To levy and collect default assessments for violation of the Musselman Square documents or because the Association has incurred an expense on behalf of a member under the Musselman Square documents.

(viii) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as provided in the Declaration and these By-Laws; to enforce a late charge of at least \$10.00 in connection with any assessments remaining unpaid more than 30 days from the due date for payment; to collect interest at two points above the prime rate charged by the Association's bank or such other rate set by the Board on unpaid assessments in accordance with of the declaration; and to exercise

other remedies for delinquent assessments as set forth in the declaration.

(ix) To enter into contracts within the scope of their duties and powers.

(x) To establish a bank account for the operating account of the Association and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(xi) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by members or their mortgages at convenient weekday business hours.

(xii) To cause any and all access roads, parking areas, and driveways in and to Musselman Square and across the property to be maintained.

(xiii) To cause the maintenance of the lawn, trees, shrubs, and other vegetation, and the sprinkler or other irrigation systems located on the lots and common area for the benefit of the members.

(xiv) To delegate to the manager or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by another than by the Association, and to agree to assess to the members a reasonable fee for such services, except that the duties set forth in (v), (vi), (vii), (ix) and (x) shall not be so delegated.

SECTION 3. Manager.

(i) The Board of Directors may employ for the Association a professional management agent or agents as manager at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (v), (vi), (vii), (ix), (x) and (xv) of Section 1 of this Article. Developer, or an affiliate or employee of Developer, may be employed as manager.

(ii) No management contract may have a term in excess of three years and must permit termination by either party without cause and without payment of a termination fee on 90 days or less written notice.

SECTION 4. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(i) Accrual accounting, as defined by generally accepted accounting principles, shall be employed.

(ii) Accounting and controls should conform with established AICPA guidelines and principles. A segregation of accounting duties should be maintained, and disbursements by check shall require two signatures. Cash disbursements shall be limited to amounts of twenty-five dollars and under.

(iii) Cash accounts of the Association shall not be commingled with any other accounts.

(iv) no remuneration shall be accepted by the Board of Directors or the manager 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 (except that such persons may be employees of Developer during the period of Class B Membership); anything of value received shall benefit the Association.

(v) Any financial or other interest which the manager or a member of the Board of Directors may have in any firm (other than Developer) providing goods or services to the Association shall be disclosed promptly to the Board of Directors.

(vi) Commencing at the end of the first fiscal year of the Association and continuing on an annual basis thereafter, financial reports shall be prepared for the members containing;

(a) an income statement reflecting all income and expense activity for the preceding fiscal year on an accrual basis;

(b) an account activity statement reflecting all receipt and disbursement activity for the preceding fiscal year on an accrual basis;

(vii) A balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year shall be distributed to the members.

(viii) An account status report reflecting the status of all accounts in an "actual" versus "approved" budget format with a budget report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts) shall be prepared for the Board periodically and available to all members on an annual basis.

SECTION 5. Hearing Procedure. The Board shall not impose a fine, suspend voting, or suspend any rights of a member or other occupant for violations of rules and regulations or of the provisions of the Musselman Square documents unless and until the following procedure is followed:

(i) Demand. Written demand to cease and desist from the alleged violation shall be served upon the alleged violator specifying:

(a) the alleged violation;

(b) the action required to abate the violation; and

(c) a time period, not less than ten days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after notice and hearing, if the violation is not continuing.

(ii) Notice. At any time within twelve months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a hearing to be held by the Board. The notice shall contain:

(a) the nature of the alleged violation;

(b) the time and place of the hearing, which time shall not be less than ten days from the giving of the notice;

(c) an invitation to attend the hearing and produce any statement, evidence, and witness on the member's behalf; and

(d) the proposed sanction to be imposed.

(iii) Hearing. The hearing shall be held pursuant to this notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. 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 appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. Written and oral evidence may be presented. The presenting party shall provide copies of any written evidence to the other party or parties. The decision of the Board shall be final.

(iv) Appeal. The Board may in its discretion appoint a hearing committee to hear the matter. In such event the above procedure will apply except that either party may appeal the decision of the hearing committee to the Board by written notice to the hearing committee, the other party and the Board. The Board shall consider the minutes of the hearing and report the decision of the Board within a reasonable period of time not exceeding ninety days after receipt of the notice. The decision of the Board shall be final.

These procedures shall not be necessary in order to impose any sanction or penalty for nonpayment of a delinquent assessment.

ARTICLE VII. OFFICERS

SECTION 1. Enumeration of Officers. The officers of the corporation shall be a president, a vice-president, a secretary and treasurer, each of whom shall be elected by the Board of Directors. Officers of the corporation are not required to be members of the Board of Directors. The Board of Directors shall have the power to

elect such other officers as the board may from time to time by resolution create.

SECTION 2. Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. President. The president shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He or she shall, when present, preside at all meetings of the members and of the Board of Directors. He or shall may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by

law to be otherwise signed or executed; and in general shall perform duties incident to the office of the president and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Vice-President. In the absence of the president or in event of his death, inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall perform such other duties as from time to time may be assigned to him or her by the president or by the Board of Directors.

SECTION 7. Secretary. The secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for the purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member; (e) sign with the president, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the membership books of the corporation; and (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the Board of Directors.

SECTION 8. Treasurer. The treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these By-Laws; and (b) in

general perform all of the duties as from time to time may be assigned to him or her by the president or by the Board of Directors. If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

ARTICLE VIII. COMMITTEES

SECTION 1. Committees. The Board shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX. INDEMNIFICATION.

SECTION 1. Indemnification. The Association shall indemnify every directors, officer or committee member, or former director, officer or committee member and their respective successors, personal representatives, and heirs, against all loss, costs, and expenses, including counsel fees, reasonably incurred by such person in connection with any action, suit, or proceeding to which such person may be made a party by reason of such persons' being or having been a director, officer or committee member of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of such person's duty to the Association. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of such person's duties as such director, officer or committee member. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, cost, and expense arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses.

ARTICLE X. AMENDMENTS

SECTION 1. Amendments. These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors or by a vote of the members at any regular or special meeting of the members.

ARTICLE XI. MISCELLANEOUS

SECTION 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of July and end on the last day of June of every year, except that the first fiscal year shall begin on the date of incorporation.

SECTION 2. Corporate Seal. The Association shall have a seal in circular form having within its circumference the words: "Musselman Square Homeowner's Association, Inc."

SECTION 3. Conflicts of Documents. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the By-Laws shall control.