
**BYLAWS
OF
QUAIL RUN CONDOMINIUM ASSOCIATION**

**ARTICLE 1
GENERAL PROVISIONS**

1.1 DEFINED TERMS. Each capitalized term used in these Bylaws without definition shall have the meanings specified for such term in the Arizona Condominium Act, A.R.S. §33-1201, et seq., and in the Condominium Declaration for Quail Run Condominiums recorded at Recording No. 2006-0532589, in the official records of the County Recorder of Maricopa County, Arizona, as amended from time to time. As used in these Bylaws, the term "**Eligible Votes**" means the total number of votes entitled to be cast by Members as of the record date for determining the Members entitled to vote at a meeting or in respect of any other lawful action including, but not limited to, action by written ballot or written consent.

1.2 PRINCIPAL OFFICE. The principal office of the Association shall be located at the known place of business of the Association designated in the Articles or such other place as may be designated from time to time pursuant to Arizona law. Meetings of Members and the Board of Directors may be held at the principal office of the Association or at such other place as may be designated by the Board of Directors.

1.3 CONFLICTING PROVISIONS. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

1.4 AMENDMENT. Except as otherwise provided for in this Section, these Bylaws may only be amended by a vote of the Members holding sixty-seven percent (67%) or more of the votes in the Association. During the Period of Declarant Control, the Declarant, without the consent of any Unit Owner, shall have the right to amend these Bylaws in order to: (A) comply with the Condominium Act or any other applicable law if the amendment does not adversely affect any Unit Owner; (B) correct any error or inconsistency in these Bylaws if the amendment does not adversely affect the rights of any Unit Owner; or (C) comply with the requirements or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments. So long as the Declarant owns one or more Units, any amendment must be approved in writing by the Declarant. Any amendment adopted by the Unit Owners pursuant to this section shall be signed by the President or Vice-President of the Association. Any such amendment shall certify that the amendment has been approved as required by this section. Any amendment made by Declarant pursuant to this Section or the Condominium Act shall be executed by Declarant.

1.5 NOTICES. All notices, demands, statements or other communications required to be given or served under these Bylaws shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid (A) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association, or, if no such address is designated, at the address of the Unit of such Unit Owner, or (B) if to the Association, the Board of Directors or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. A notice given by mail shall be deemed to have been received by the person to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is mailed. If a Unit is owned by more than one (1) person, notice to one (1) of the Unit Owners shall constitute notice to all Unit Owners of the same Unit. Each Unit Owner shall file such Owner's correct mailing address with the Association and shall promptly notify the Association in writing of any subsequent change of address.

ARTICLE 2 MEETINGS OF MEMBERS

2.1 ANNUAL MEETING. The first Annual meeting of the Members shall be held within one (1) year of the date on which the Association is incorporated, and an annual meeting of the Members shall be held during each calendar year thereafter. The date, time and place of each annual meeting of the Members shall be determined by the Board of Directors.

2.2 SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors or by Unit Owners having at least twenty-five percent (25%) of the votes in the Association.

2.3 NOTICE OF MEETINGS. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by mailing a copy of each notice, postage prepaid, no fewer than ten (10) nor more than fifty (50) days before such meeting to each Member entitled to vote at the meeting addressed to the Member's address last appearing on the books of the Association or supplied by such Member to 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 items on the agenda including the general nature of any proposed amendment to the Declaration or the Bylaws, any budget changes and any proposal to remove a director or officer. All such meetings shall be held in the State of Arizona. When a meeting is adjourned to another date, time or place, a notice of the new date, time or place is not required if the new date, time or place is announced at the meeting before adjournment. At the adjourned meeting, the Association may transact any business which might have been transacted at the original meeting. If a new record date for the adjourned meeting is or must be fixed pursuant to Section 2.8, the Association shall give notice of the adjourned meeting pursuant to this Section to

persons who are Members as of the new record date. A Member's attendance at a meeting waives objection to the lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting and transacting business at the meeting. In addition, a Member's attendance at a meeting waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter at the time it is presented.

2.4 QUORUM. Except as otherwise provided in the Articles, the Declaration or these Bylaws, the presence in person or by proxy (during the Period of Declarant Control) or by absentee ballot (after the Period of Declarant Control) of Members entitled to cast more than fifty percent (50%) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Members other than a reconvened meeting at which a twenty-five percent (25%) quorum shall be sufficient. If a fifty percent (50%) quorum shall not be present at any meeting, the Members entitled to vote there at shall have the power to adjourn the meeting from time to time until a twenty-five percent (25%) quorum shall be present.

2.5 MULTIPLE OWNERS. If only one (1) of the multiple Unit Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast all the votes allocated to that Unit. If more than one (1) of the multiple Unit Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Unit Owners unless the Declaration expressly provides otherwise. There is majority agreement if any one (1) of the multiple Unit Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Unit Owners of the Unit.

2.6 PROXIES. During the Period of Declarant Control, votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one (1) person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. The proxy is revoked on presentation of a later dated proxy executed by the same Unit Owner. A proxy terminates one (1) year after its date, unless it specifies a shorter term or unless it states that it is coupled with an interest and is irrevocable.

Notwithstanding any provision in the Condominium Documents, after termination of the Period of Declarant Control, votes allocated to a Unit may not be cast pursuant to a proxy. Subsequent to the Period of Declarant Control, the Association shall provide for votes to be cast in person and by absentee ballot and may provide for voting by some other form of delivery.

2.7 SUSPENSION OF VOTING RIGHTS. In the event any Unit Owner is in arrears in the payment of any Assessment, monetary penalties or other fees and charges due under the terms of the Condominium Documents for a period of thirty (30) days, the Unit Owner's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current. In the event any Unit Owner violates any provision of the Condominium Documents (other than provisions requiring the payment of money to the Association) and the violation is not corrected to the satisfaction of the Association within thirty (30) days after notice of the violation is given to the Unit Owner by the Association, the Unit Owner's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until the violation is corrected to the satisfaction of the Association.

2.8 RECORD DATE. For any meeting of the Members, the Board of Directors shall fix a date as the record date for determining the Members entitled to notice of the meeting. If the Board of Directors fails to fix a record date for any meeting of the Members, the record date for determining the Members entitled to notice of the meeting shall be the business day before the day on which the notice of the meeting is given. The Board of Directors shall also fix a date as the record date for determining the Members entitled to vote at a meeting of the Members. If the Board of Directors fails to fix such a record date, the Members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

A determination of Members entitled to notice of or to vote at a membership meeting is effective for any adjournment of the meeting, unless the Board of Directors fixed a new date for determining the right to notice or the right to vote. The Board of Directors shall fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date that is more than seventy (70) days after the record date for determining Members entitled to notice of the original meeting.

The Board of Directors shall fix a date as the record date for the purpose of determining the Members entitled to exercise any rights in respect of any other lawful action of the Members. If a record date is not fixed by the Board of Directors, Members at the close of business on the day on which the Board of Directors adopts the resolution relating to that record date, or the sixtieth (60th) day before the date of other action, whichever is later, are entitled to exercise those rights. The record date fixed by the Board of Directors under this Section shall not be more than seventy (70) days before the meeting or action requiring a determination of Members.

2.9 ORGANIZATION AND CONDUCT OF MEETING. All Members attending a meeting of the Members shall register with the Secretary (or such person or persons as may be designated by the Secretary) prior to commencement of the meeting, and all proxies must be filed with the Secretary (or such person or persons as may be designated by the Secretary) prior to commencement of the meeting. After the meeting is called to order by the chair of the meeting, no further proxies or changes,

substitutions or revocation of proxies will be accepted. All meetings of the Members will be called to order and chaired by the President of the Association, or if there is no President or if the President is absent or so requests, then by the Vice President. If both the President and Vice President are not present at the meeting, any other officer of the Association or such member of the Association as is appointed by the Board of Directors may call the meeting to order and chair the meeting. The chair of the meeting may appoint any person (whether or not a Member of the Association) to act as Recording Secretary. The chair of the meeting shall have the authority to determine the order of business to be conducted at the meeting and to establish reasonable rules for expediting the business of the meeting.

2.10 ACTION BY ABSENTEE BALLOT. Any action that the Association may take at any annual, regular or special meeting of the Members may be taken by a written ballot if the Association delivers a written ballot to every Member entitled to vote on the matter. The ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. The written ballot shall be valid for only (1) specified election or meeting of the Members and shall expire automatically after completion of the election or meeting. All solicitations for votes by absentee ballot shall: (A) indicate the number of responses needed to meet the quorum requirements; (B) state the percentage of approvals necessary to approve each matter other than election of Directors; and (C) specify the time and date by which a ballot must be delivered to the Association in order to be counted, which shall be at least seven (7) days after the date that the Association delivers the ballot to the Member. Once a written ballot has been received by the Association, the ballot may not be revoked. The ballot may not authorize another person to cast votes on behalf of the Member. Approval by written ballot pursuant to this Section is valid only if both the number of votes cast by ballot and the number of members present at the meeting for which the ballot is cast equals or exceeds the quorum required to be present at the meeting authorizing the action and the number of approvals equals or exceeds the number of votes which would be required to approve the matter at the meeting, if all votes were cast by members present at the meeting.

2.11 ACTION BY WRITTEN CONSENT. The Members may approve any action required or permitted by law that requires the Members' approval without a meeting of the Members if the action is approved by Members holding at least a majority of the Eligible Votes, unless the Declaration, Articles, these Bylaws or applicable law require a different amount of voting power. The action shall be evidenced by one or more written consents describing the action taken, signed by those Members representing at least the requisite amount of the Eligible Votes, and delivered to the Association for inclusion in the minutes or filing with the corporate records of the Association.

If not otherwise fixed by the Board of Directors pursuant to Section 2.8, the record date for determining Members entitled to take action without a meeting is the date the first Member signs the consent to the action. A consent signed under this

Section has the effect of a meeting vote and may be described as such in any document. Written notice of Member approval pursuant to this Section shall be given to all Members who have not signed the written consent. Unless otherwise specified in the consent or consents, the action is effective on the date that the consent or consents are signed by the last Member whose signature results in the requisite amount of the Eligible Votes. Any Member may revoke the Member's consent by delivering a signed revocation of the consent to the President or Secretary before the date that the consent or consents are signed by the last Member whose signature results in the requisite amount of the Eligible Votes.

2.12 VOTING REQUIREMENTS. Unless otherwise provided in the Association Documents, if a quorum is present at a meeting of the Members, the affirmative vote of a majority of the votes represented and voting is the act of the Members.

ARTICLE 3 BOARD OF DIRECTORS

3.1 NUMBER. The affairs of this Association shall be managed by a Board of Directors. During the Period of Declarant Control, the number of directors shall be one (1). During the Period of Declarant Control, Declarant shall have the right to appoint and remove the member of the Board of Directors, who does not have to be a Unit Owner. Upon the termination of the Period of Declarant Control, the Unit Owners shall elect the Board of Directors, which must consist of at least three (3), but not more than nine (9), directors, all of whom must be Unit Owners. The number of directors shall be established by the Board of Directors. Declarant may voluntarily surrender the right to appoint and remove the Members of the Board of Directors before termination of the Period of Declarant Control, and in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a Recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

3.2 TERM OF OFFICE. Directors appointed by the Declarant shall hold office until their successors are elected and qualified by the Members. The terms of the initial directors elected by the Members shall be fixed at the time of their election as they among themselves determine, with at least one (1) director serving a term of three (3) years and at least one (1) director serving a term of two (2) years. At the expiration of the initial term of each director, a successor shall be elected to serve for a term of three (3) years. Despite the expiration of a director's term, a director shall continue to hold office until the director's successor is elected, designated or appointed and qualified, until the director's resignation or removal or until there is a decrease in the number of directors.

3.3 RESIGNATION OF DIRECTORS. A director may resign at any time by delivering written notice to the Board of Directors, its presiding officer or the Association. A resignation is effective when the notice is delivered unless the notice

specifies a later effective date or event. If a resignation is made effective at a later date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

3.4 REMOVAL. Except with respect to members of the Board of Directors appointed by the Declarant, at any annual or special meeting of the Members any one or more directors may be removed from the Board of Directors, with or without cause, by Members having more than sixty-seven percent (67%) of the votes entitled to be cast by the Members present in person or by proxy at the meeting, and a successor shall then and there be elected to fill the vacancy thereby created.

3.5 VACANCIES. Until the termination of the Period of Declarant Control, any vacancy on the Board of Directors shall be filled by a Person appointed by the Declarant. Except with respect to directors appointed by the Declarant and vacancies caused by the removal of a director by a vote of the Unit Owners as set forth in Section 3.4, all vacancies in the Board of Directors shall be filled by a vote of a majority of the remaining directors though less than a quorum or by a sole remaining director. Any person so elected shall serve the unexpired portion of the prior director's term. Any newly created directorship shall be deemed a vacancy. Any person elected to fill such a vacancy shall serve until the next annual meeting of the members.

3.6 COMPENSATION. No director shall receive compensation for any service such director may render to the Association which is within such Persons' duties as a director. However, any director may be reimbursed for actual expenses incurred in the performance of such director's duties. A director may receive compensation for services rendered to the Association which are outside the duties as a director if the payment of such compensation is approved by all of the other directors.

3.7 ACTION TAKEN WITHOUT A MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors. Any action taken by the Board of Directors pursuant to this Section shall be effective when the last director signs the consent, unless the consent specifies a different effective date.

3.8 MEETINGS. If the time and place of a meeting of the Board of Directors is fixed by the Board of Directors, the meeting is a regular meeting. All other meetings of the Board of Directors are special meetings. Regular meetings of the Board of Directors shall be held with notice to the directors of the date, time, place or purpose of the meeting.

Special meetings of the Board of Directors may be called by the President on two (2) business days notice to each director, given in writing, by hand delivery, mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special

meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting or promptly on the director's arrival at the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. A director may participate in a regular or special meeting of the Board of Directors through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting, and a director participating in a meeting by such means is deemed to be present in person at the meeting.

Notice to Members of each meeting of the Board of Directors shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors. An affidavit of notice by an officer of the Association is prima facie evidence that notice was given as prescribed by this Section 3.8. Notice to Members of meetings of the Board of Directors is not required if emergency circumstances require action by the Board before notice can be given.

3.9. QUORUM AND VOTING. A majority of the prescribed number of directors shall constitute a quorum for the transaction of business. If a quorum is present when a meeting is convened, the quorum shall be deemed to exist until the meeting is adjourned, notwithstanding the departure of one (1) or more directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors unless the Articles or Bylaws require the vote of a greater number of directors. A director who is present at a meeting of the Board when corporate action is taken is deemed to have assented to the action taken unless either: (A) the director objects at the beginning of the meeting or promptly on the director's arrival to holding it or transacting business at the meeting; (B) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (C) the director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the Association before 5:00 p.m. on the next business day after the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken. A director may vote in person or by proxy. A director may appoint a proxy to vote or otherwise act for the director by signing an appointment form, either personally or by the director's attorney-in-fact. The appointment does not relieve the director of liability for acts or omissions imposed by law on directors. An appointment of a proxy is effective when received by the Secretary. An appointment is valid for one (1) month unless a different period is expressly provided in the appointment form. An appointment of a proxy is revocable by the director. The death or incapacity of a director appointing a proxy shall not affect the right of the Association to accept the proxy's authority unless written notice of death or incapacity is received by the

Secretary before the proxy exercises its authority under the appointment. Subject to any express limitation on the proxy's authority appearing on the face of the appointment form, the Association is entitled to accept the proxy's vote or other action as the vote of the director making the appointment.

In the event the Board of Directors is unable to obtain an affirmative vote of a majority of directors on any proposed act, the Board of Directors may (upon the affirmative vote of a majority of the directors present) agree to submit the proposed act to a vote of the Members. In the event the Board of Directors submits a proposed act to a vote of the Members, the voting requirements of Article 2 of these Bylaws shall apply.

3.10 OPEN MEETINGS. All meetings of the Board shall be held in the State of Arizona and are open to all Members of the Association or any person designated by a Member in writing to the Association as the Member's representative. All Members or designated representatives thereof so desiring shall be permitted to attend and speak at an appropriate time during the deliberations and proceedings, provided, however, that the Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Member or Member's designated representative to speak before the Board takes formal action on an item under discussion in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue. Any portion of a meeting may be closed only if that closed portion of the meeting is limited to consideration of one or more of the following:

A. Legal advice from an attorney for the Board or the Association. On final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment.

B. Pending or contemplated litigation.

C. Personal, health and financial information about an individual member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association.

D. Matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association.

3.11 POWERS AND DUTIES. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may exercise all corporate powers of the Association, subject to any limitations set forth

in the Condominium Documents. The duties of the Board of Directors shall include, without limitation, the power to:

A. Open bank accounts on behalf of the Association and designate the signatories thereon;

B. Make, or contract for the making, of repairs, additions to, improvements to or alterations of the Condominium and repairs to the Common Elements, in accordance with the Condominium Documents, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

C. In the exercise of its discretion, enforce by legal means the provisions of the Condominium Documents;

D. Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provision of services for the Condominium, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

E. Provide for the operation, care, upkeep and maintenance of all of the Common Elements and services of the Condominium and borrow money on behalf of the Association when required in connection with any one instance relating to the operation, upkeep and maintenance for the Common Elements;

F. Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year and send to each Unit Owner a summary of the budget and a statement of the amount of the Regular Assessment assessed against the Owner's Unit at least ten (10) days before the beginning of each fiscal year of the Association;

G. Adopt and publish rules and regulations governing the use of the Common Elements and facilities and the personal conduct of the Members and their lessees and invitees thereon and establish penalties for the infraction thereof;

H. Suspend the voting rights and the right to use of the Common Elements of a Member;

I. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Condominium Documents;

J. Except as to members of the Board of Directors appointed by the Declarant, declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

K. Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;

L. 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 any Member entitled to vote;

M. Supervise all officers, agents and employees of the Association and see that their duties are properly performed;

N. Levy Assessments in accordance with the Declaration and take all necessary action to collect such Assessments;

O. As required by the Declaration, issue, or cause an appropriate officer to issue upon demand to any person, a certificate setting forth whether or not any Assessment has been paid;

P. Procure and maintain adequate property liability and other insurance as required by the Declaration;

Q. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

R. Cause the Common Elements to be maintained, as more fully set forth in the Declaration.

3.12 CONFLICTS OF INTEREST. If any contract, decision or other action for compensation taken by or on behalf of the Board would benefit any member of the Board or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board or a parent or spouse of any of those persons, that member of the Board shall declare a conflict of interest for that issue. The member shall declare the conflict in an open meeting of the Board before the Board discusses or takes action on that issue and that member may then vote on that issue. Any contract entered into in violation of this Section 3.12 is void and unenforceable.

3.13 MANAGING AGENT. The Board of Directors may employ for the Condominium a "**Managing Agent**" at a compensation established by the Board of Directors consistent with the Declaration. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Condominium Act, the Declaration and these Bylaws except for such duties and services that under the Condominium Act or the Declaration may not be delegated to the Managing Agent. Any agreement for management of the Condominium shall be in writing and shall provide for termination by the Association, with or without cause and without payment of a termination fee or penalty, on thirty (30) days written notice, and the term of such agreement shall not exceed one (1) year, renewable by written agreement of the parties for successive periods of one (1) year

each. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors or the officers of the Association by the Act, the Declaration and these Bylaws other than the following powers:

- A. To adopt the annual budget, any amendment thereto or to assess any Common Expenses;
- B. To adopt, repeal or amend Rules;
- C. To designate signatories on Association bank accounts;
- D. To borrow money on behalf of the Association;
- E. To acquire and mortgage Units; and
- F. To allocate Limited Common Elements.

ARTICLE 4 OFFICERS AND THEIR DUTIES

4.1 ENUMERATION OF OFFICERS. The officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer. The Board of Directors may create such other offices as the affairs of the Association may require. During the Period of Declarant Control, all officers of the Association shall be appointed and removed by the Declarant. After the termination of the Period of Declarant Control, all officers shall be elected by the Board of Directors. After the expiration of the Period of Declarant Control, the President must be a member of the Board of Directors. Any other officers may, but need not, be members of the Board of Directors.

4.2 ELECTION OF OFFICERS. The election of officers shall take place at the first (1st) meeting of the Board of Directors following each annual meeting of the Members.

4.3 TERM. After the termination of the Period of Declarant Control, the officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

4.4 RESIGNATION AND REMOVAL. Except for officers appointed by the Declarant, 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 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.

4.5 VACANCIES. Except for officers appointed by the Declarant, 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.

4.6 MULTIPLE OFFICES. Any two (2) or more offices may be held by the same person except the offices of President and Secretary.

4.7 POWERS AND DUTIES. To the extent such powers and duties are not assigned or delegated to the Managing Agent pursuant to Section 3.11, the powers and duties of the officers shall be as follows:

A. **President.** The President shall be the chief executive officer of the Association; shall preside at all meetings of the Board of Directors or the Members; shall see that orders and resolutions of the Board of Directors are carried into effect; may sign checks and promissory notes of the Association; may deposit monies in bank accounts of the Association; and shall generally manage the business of the Association.

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 of him by the Board of Directors.

C. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; 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.

D. **Treasurer.** 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; may sign checks and promissory notes of the Association; shall keep proper books of account; 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; and, in general, perform all the duties incident to the office of treasurer.

4.8 OFFICERS AUTHORIZED TO EXECUTE AMENDMENTS TO DECLARATION. Any amendments to the Declaration or the Plat which are required by the Condominium Act or the Declaration to be executed by the Association may be executed by either the President or Vice President of the Association.

**ARTICLE 5
BOOKS AND RECORDS**

5.1 DESIGNATION OF FISCAL YEAR. The fiscal year of the Association shall begin on the 1st day of January and end of the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

5.2 FINANCIAL RECORDS. The Association shall maintain accounting and financial records in accordance with generally accepted cash basis accounting practices consistently applied. An annual report consisting of at least the following shall be made available to all Members within sixty (60) days after the close of each fiscal year: (A) balance sheet; (B) operating (income) statement; and (C) statement of changes in financial position for the fiscal year.

5.3 EXAMINATION. All financial and other records of the Association shall be made reasonably available for examination by the Declarant and any Member or any person designated by the Member in writing to the Association as the Member's representative, during normal business hours when requested in writing. The Association shall have the right to charge for copying expenses and the reasonable cost of postage, shipping or transmission of the information requested. Books and records kept by or on behalf of the Association and the Board may be withheld from disclosure to the extent that the portion withheld relates to any of the following:

A. Privileged communication between an attorney for the Association and the Association;

B. Pending or contemplated litigation;

C. Meeting minutes or other records of a session of a Board meeting that is not required to be open to all Members;

D. Personal, health and financial records of an individual Member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association;

E. Records relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association; or

F. When disclosure would violate any state or federal law.

5.4 ANNUAL BUDGET. The Board shall cause an estimated annual budget of the Common Expenses to be prepared for each fiscal year of the Association and shall, as provided in the Declaration, have the authority to adopt and amend such budgets

without ratification by the Members. Such estimated annual budget shall take into account the estimated expenses and cash requirements that will be required for the operation, maintenance, repair and restoration of the Common Elements for the year, including, but not limited to, salaries, wages, payroll taxes, attorneys' and accountants' fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power and adequate reserves for the restoration and replacement of the Common Elements and the appurtenances thereto and within thirty (30) days after adoption of such budget, the Board shall provide a summary of the budget to all the Members. To the extent that Assessments for Common Expenses received from Members during the immediately preceding year shall be more or less than the Common Expenses incurred by the Association for the preceding year, the surplus or deficiency, as the case may be, shall also be taken into account. The annual budget shall also provide for a reserve for contingencies for the year and a reserve for restoration and replacements, in reasonable amounts as determined by the Board. In addition, the Association shall maintain an initial working capital fund equal to at least two (2) months estimated Common Expenses for each Unit, the establishment of which shall be as provided in the Declaration.

In witness whereof, the President of Quail Run Condominium Association has hereunto set his hand as of this 24th day of February, 2006.



AVRAM COVACIU, President

CERTIFICATION

I hereby certify that I am the duly elected Secretary of Quail Run Condominium Association and that the foregoing Bylaws are the original Bylaws of the Association and were duly adopted by the Board of Directors of the Association on the 24th day of February, 2006.



AVRAM COVACIU, Secretary