

BYLAWS

OF

COTTONWOOD VILLAS CONDOMINIUM
OWNERS ASSOCIATION

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BYLAWS
OF

COTTONWOOD VILLAS CONDOMINIUM OWNERS ASSOCIATION

ARTICLE 1
GENERAL PROVISIONS

1.1 **Defined Terms.** Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Arizona Condominium Act, A.R.S. § 33-1201, *et seq.*, and in the Amended and Restated Condominium Declaration for Cottonwood Villas Condominium, recorded at Recording No. 98-_____ official records of Maricopa County, Arizona, as amended from time to time.

1.2 **Principal Office.** The principal office of the Association shall be located at the place 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 **Corporate Seal.** The Association may have a seal in a form approved by the Board of Directors.

1.5 **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.

1.6 **Books and Records.** The Condominium Documents and all other books, records and papers of the Association shall be available for inspection by any Member and his authorized agents during reasonable business hours at the principal office of the Association where copies may be purchased at reasonable cost, except that the Board of Directors may withhold from disclosure any books, records and papers relating to any of the following: (i) personnel matters or a person's medical records; (ii) communication between an attorney for the Association and the Association; (iii) pending or contemplated litigation; (iv) pending or contemplated matters relating to enforcement of the Condominium Documents; and (v) meeting minutes or other records of a session of a Board of Directors meeting or Association meeting that is not required to be open to all Unit Owners pursuant to A.R.S. § 33-1258. The Association shall not be required to disclose financial and other records of the Association if disclosure would violate any local, state or federal law.

1.7 Obligation of Association to Disclose Information. Except for a sale of a Unit from the Declarant to a purchaser or an exempt sale pursuant to A.R.S §32-2181.02, the Association shall mail or deliver to a purchaser within ten (10) days (or such longer period of time as may be provided for in A.R.S §33-1260) after receipt of a written notice of a pending sale that contains the name and address of the purchaser, a copy of the (a) Condominium Documents; (b) current operating budget of the Association; (c) copy of the most recent annual financial report of the Association (and if such report is more than 10 pages, the Association may provide a summary of the report in lieu of the entire report); (d) a copy of the most recent reserve study of the Association, if any; and (e) a dated statement containing: (i) the telephone number and address of a principal contact for the Association, which may be a Manager for the Association, an association management company, an officer of the Association or any other person designated by the Board of Directors; (ii) a statement setting forth the amount of the Common Expense Assessment for the Unit and the unpaid Common Expense Assessment, or installment thereof, any special assessment or other assessment, fee or charge currently due and payable from the selling Unit Owner; (iii) a statement as to whether a portion of the Unit is covered by insurance maintained by the Association; (iv) the total amount of money held by the Association as reserves; (v) a statement as to whether the records of Association reflect any alterations or improvements to the Unit that violate the Declaration. The Association is not obligated to provide information regarding alterations or improvements that occurred more than six (6) years before the proposed sale; and (vi) a statement of case names and case numbers for pending litigation with respect to the Unit filed by the Association against the Unit Owner or filed by the Unit Owner against the Association, except for any information concerning the pending litigation that would violate any applicable rule of attorney-client privilege under Arizona law. The Association may charge the Unit Owner a reasonable fee to compensate the Association for the costs incurred in the preparation of a statement furnished by the Association pursuant to this Section. The Association shall make available to any interested party the amount of any such fee established from time to time by the Association.

1.8 Amendment.

1.8.1 Except as provided for in Subsection 1.8.2 below, these Bylaws may only be amended, at a regular or special meeting of the Members, by a vote of the Members entitled to cast more than fifty percent (50%) of the votes entitled to be cast by the Members present in person or by proxy.

1.8.2 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: (i) comply with the Condominium Act or any other applicable law if the amendment does not adversely affect any Unit Owner; (ii) correct any error or inconsistency in these Bylaws if the amendment does not adversely affect the rights of any Unit Owner; or (iii) 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 including, without limitation, the Federal National Mortgage Association, the Federal

Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration.

1.9 Indemnification. The Association shall have the power to indemnify its Members, directors, officers, employees and agents to the extent and in the manner provided for in the Arizona Nonprofit Corporation Act, A.R.S. § 10-2301, *et seq.*, as amended from time to time.

1.10 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 hand-delivered or sent by United States mail, postage prepaid or, in the case of a notice pursuant to Section 5.2 of these Bylaws, registered or certified United States mail, return receipt requested, postage prepaid, (i) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) 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 1.10. A notice given by mail, whether regular, certified or registered, 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 days after the notice is mailed. If a Unit is owned by more than one person, notice to one of the Unit Owners shall constitute notice to all Unit Owners of the same Unit.

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 hand-delivering or 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 purpose for which the meeting is called, including the general nature of any proposed amendment to the Declaration or the Bylaws, any changes in Assessments that require approval of the Unit Owners and any

proposal to remove a director or officer. The failure of any Unit Owner to receive actual notice of a meeting does not affect the validity of any action taken at that meeting.

2.4 **Quorum.** Except as otherwise provided in the Articles, the Declaration or these Bylaws, the presence in person or by proxy of Members entitled to cast one-tenth (1/10th) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Members. If a quorum shall not be present at any meeting, the Members entitled to vote who are present at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

2.5 **Multiple Owners.** If only one of the multiple Unit Owners of a Unit is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit. If more than one 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 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.** 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 person, each Unit Owner of the Unit may vote or register protest to the casting of votes by the other Unit 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 year after its date, unless it specifies a shorter term or unless it states that it is coupled with an interest and is irrevocable.

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, and for a period not to exceed sixty (60) days for any infraction of the Condominium Documents.

ARTICLE 3 BOARD OF DIRECTORS

3.1 **Number.** The affairs of this Association shall be initially managed by a board of three (3) directors. The number of directors may be changed from time to time by the Board of Directors but the number of directors may not be less than three (3) or more than seven (7) and must always be an odd number. During the Period of Declarant Control, the Declarant shall have the right to appoint and remove the members of the Board of Directors who do not have to be Unit Owners. 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) members, at least a majority of whom must be Unit Owners. The Declarant may voluntarily surrender his 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. The initial members of the Board shall hold office until the first annual meeting of the Members and until their successors are elected and qualified. Commencing with the first annual meeting of the Members, and for the duration of the Period of Declarant Control, all directors shall be elected for a term of one (1) year. At the first annual or special meeting after termination of the Period of Declarant Control, the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years and one (1) director for a term of three (3) years. At each annual meeting thereafter, the Members shall elect directors to replace those directors whose terms have expired and all such directors shall be elected for a term of three (3) years. If the Board increases the number of directors, the newly appointed directors shall serve until the first annual meeting after such increase, at which time the terms of the new directorships shall be designated by the Members.

3.3 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 of the members of the Board of Directors may be removed from the Board of Directors, with or without cause, by a two-thirds (2/3) vote at any meeting of the Unit Owners at which a quorum is present, in person or by proxy, and a successor shall then and there be elected to fill the vacancy thereby created.

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

3.5 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.

3.6 Vacancies. Except with respect to members appointed by the Declarant and vacancies caused by the removal of a member of the Board of Directors by a vote of the Unit Owners as set forth in Section 3.3 of these Bylaws, 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.

3.7 Meetings.

3.7.1 Meetings of the Board of Directors, regular or special, shall be held at least annually and may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting

3.7.2 Until termination of the Period of Declarant Control, regular meetings of the Board of Directors may be held with or without notice at such time and place as is determined from time to time by the Board. After termination of the Period of Declarant Control, notice to Members of meetings of the Board of Directors shall be given at least forty-eight hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board. Any notice of a Board of Directors meeting shall state the time and place of the meeting. An affidavit of notice by an officer of the Association is prima facie evidence that notice was given as prescribed by this subsection. The failure of any Member to receive actual notice of a meeting of the Board of Directors does not affect the validity of any action taken at that meeting.

3.7.3 Special meetings of the Board of Directors may be called by the President on three (3) 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 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. In addition, after termination of the Period of Declarant Control, notice of special meetings of the Board of Directors shall be given to Members as set forth in Subsection 3.7.2, except that 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.

3.7.4 Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.7.5 Regular and special meetings of the Board of Directors are open to all Members and all Members so desiring shall be permitted to attend and listen to the deliberations and proceedings; provided, however, that for regular and special meetings of the Board, Members who are not Board members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board. Any portion of a meeting may be closed only if the closed portion of the meeting is limited to consideration of one or more of the following: (i) employment or personnel matters for employees of the Board of Directors or the Association; (ii) legal advice from an attorney for the Board of Directors or the Association;

(iii) pending or contemplated litigation; or (iv) pending or contemplated matters relating to enforcement of the Condominium Documents.

3.8 Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Except as provided in the Condominium Act, every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

3.9 Powers and Duties.

3.9.1 The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Condominium Act or the Condominium Documents required to be exercised or done by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board of Directors shall have the following powers and duties:

(1) Open bank accounts on behalf of the Association and designate the signatories thereon;

(2) 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;

(3) In the exercise of its discretion, enforce by legal means the provisions of the Condominium Documents;

(4) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair, replacement of the Common Elements and provide 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;

(5) 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; provided, however, the consent of Members having at least two-thirds (2/3) of the total votes in the Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of \$10,000;

(6) Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;

(7) Adopt and publish rules and regulations governing the use of the Common Elements and facilities, and the personal conduct of the Members and their guests, lessees, invitees and family members thereon, and establish penalties for the infraction of such rules and regulations;

(8) In accordance with these Bylaws, suspend the voting rights and the right to use of the Common Elements of a Member;

(9) 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;

(10) Except with respect 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;

(11) Employ, hire and dismiss such employees as it deems necessary and to prescribe such employees' duties and compensation;

(12) 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;

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

(14) Levy, collect and enforce the payment of Assessments in accordance with the provisions of the Declaration;

(15) Issue, or cause an appropriate officer to issue: (i) upon demand to any interested person, a certificate setting forth whether or not any Assessment has been paid; and (ii) to any lien holder, Member or person designated by a Member, within twenty (20) business days (or such longer period of time as may be provided for in A.R.S §33-1256) after receipt of a written request therefor, a recordable statement setting forth the amount of any unpaid Assessment against a Unit. A reasonable charge may be made by the Board for the issuance of such certificates or statements. If a certificate or statement states that an Assessment has been paid, such certificate or statement shall be binding on the Association.

(16) Procure and maintain adequate property liability and other insurance as required by the Declaration;

(17) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

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

3.10 Managing Agent. The Board of Directors may employ for the Condominium a "Managing Agent" at a compensation established by the Board of Directors. 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. 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 power: (i) to adopt the annual budget, any amendment thereto or to assess any Common Expenses; (ii) to adopt, repeal or amend the Rules and Regulations; (iii) to designate signatories on Association bank accounts; (iv) to borrow money on behalf of the Association; (v) to acquire real property and mortgage Units; or (vi) to allocate Limited Common Elements. Any contract with the Managing Agent must provide that it may be terminated with or without cause and without payment of any penalty or termination fee on no more than thirty (30) days' written notice. - The term of any such contract may not exceed three (3) years.

ARTICLE 4 OFFICERS AND THEIR DUTIES

4.1 Enumeration of Officers. The principal officers of the Association shall be the president, 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. 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 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 he shall sooner resign, or shall be removed, or otherwise 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 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 a Managing Agent pursuant to Section 3.10 of these Bylaws, the powers and duties of the officers shall be as follows:

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; sign checks and promissory notes of the Association; deposit monies in bank accounts of the Association; and shall generally manage the business of the Association.

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.

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.

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; shall 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
MONETARY PENALTIES

5.1 Power of Board of Directors to Impose Monetary Penalties. In accordance with the procedures set forth in this Article, the Board of Directors shall have the right to impose reasonable monetary penalties against any Unit Owner for a violation of any provisions of the Condominium Documents by the Unit Owner, his family, tenants or guests. Any monetary penalty imposed by the Board of Directors shall be imposed only after the procedures set forth in this Article have been complied with.

5.2 Notice of Violation.

5.2.1 The Board of Directors, or any person designated by the Board, may serve a "Notice of Violation" against a Unit Owner for a violation of any provision of the Condominium Documents by the Unit Owner, his family, tenants or guests. A Notice of Violation shall contain (i) a description of the violation, (ii) the approximate time and place at which the violation was observed, (iii) the amount of the fine to be paid by the Unit Owner for such violation, (iv) the name of the person issuing the Notice of Violation, and (v) a statement advising the Unit Owner of the Unit Owner's right to request a hearing pursuant to Section 5.2.4 of the Bylaws.

5.2.2 A Notice of Violation shall be deemed to have been served if delivered personally to the Unit Owner named in the Notice of Violation or sent to the Unit Owner by registered or certified United States mail, return receipt requested, postage prepaid. A Notice of Violation served by mail shall be deemed to have been received by the Unit Owner 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 deposited in the United States mail. A Notice of Violation given by mail shall be addressed to the Unit Owner at the address of the Unit Owner as shown on the records of the Association. If a Unit is owned by more than one person or entity, a Notice of Violation to one of the joint Unit Owners shall constitute notice to all of the joint Unit Owners.

5.2.3 The Unit Owner shall pay the fine set forth in the Notice of Violation to the Association within ten (10) days after the Notice of Violation is served on the Unit Owner unless prior to that time the Unit Owner requests a hearing on the violation pursuant to Section 5.2.4 of the Bylaws.

5.2.4 Any Unit Owner served with a Notice of Violation may request a hearing on the violation. The request for a hearing must be addressed to the Secretary of the Association and must be actually received by the Association within ten (10) days after the service of the Notice of Violation. Upon receipt of a request for a hearing pursuant to this Section, the President or any other officer of the Association shall schedule a hearing on the violation before the Board of Directors or before a hearing officer or a committee approved by the Board and shall notify the Unit Owner requesting the hearing of the date, time and place of the hearing. The notice of the hearing shall also advise the Unit Owner of his right to produce statements,

evidence and witnesses on his behalf and to be represented at the hearing by an attorney. If the hearing on the violation is before the Board of Directors, then the minutes of the meeting of the Board at which the hearing is held shall reflect the fact that the hearing on the violation was held and the action taken by the Board on the violation. If the hearing is held before a hearing officer or a committee appointed by the Board of Directors, then the hearing officer of the committee conducting the hearing shall, within ten (10) days after the conclusion of the hearing, make a written recommendation to the Board on what action the Board should take in the violation. Upon receipt of the recommendation from the hearing officer or the committee, the Board of Directors shall act upon the recommendation. Any fine which is affirmed by the Board following a hearing pursuant to this Section shall be paid by the offending Unit Owner within ten (10) days after a notice of the action of the Board of Directors is served upon the Unit Owner. Service of the notice from the Board of Directors shall be made in the same manner as service of a Notice of Violation pursuant to Section 5.2.2 of the Bylaws.

5.2.5 Any fines imposed pursuant to this Article 5 shall be the joint and several liability of all of the joint Unit Owners of a Unit and shall be secured by the Assessment Lien.

CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Association on the 23 day of September, 1998.



Secretary