

**BYLAWS  
OF  
CORRIENTE CONDOMINIUMS HOMEOWNERS 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, §33-1201 et seq. (the “Condominium Act”), and in the Declaration of Condominium and of Covenants, Conditions and Restrictions for Corriente Condominiums, recorded in the Official Records of the Maricopa County, Arizona Recorder, as amended from time to time. Whenever the context so requires, the use of the singular shall include and be construed as including the plural and the masculine shall include the feminine and neuter.

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 (but shall not be required to, unless required by law) 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 1<sup>st</sup> day of January and end on the 31<sup>st</sup> 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, financial statements, and papers of the Association shall be available for inspection by any Member or First Mortgagee during reasonable business hours at the principal office of the Association where copies may be purchased at reasonable cost. The Association may withhold from inspection those books, records and papers designated in A.R.S. §33-1258.

1.7 Amendment. Except as provided below, these Bylaws may only be amended, at a regular or special meeting of the Members, by a vote of Members holding more than fifty percent (50%) of the total allocated votes of the Membership entitled to be cast by the Members present in person or by proxy and, during the Period of Declarant Control, with the consent of Declarant. During the Period of Declarant Control, the Declarant, without the consent of any Unit Owner, and thereafter the Board, may amend these Bylaws to comply with the Condominium Act or applicable law, correct any error or inconsistency, or to comply with the requirements or guidelines of any governmental or quasi-governmental entity or federal

corporation guaranteeing or insuring mortgage loans in the Condominium whose approval of the Condominium or the Condominium Documents is required by law or requested by Declarant or the Board, provided such amendments do not adversely affect any Unit Owner.

1.8 Indemnification. To the extent it has the power to do so under the Arizona Nonprofit Corporation Act, A.R.S. §10-3101, et seq., as it may be amended from time to time, the Association shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, in an action by or in the right of the Association or otherwise, by reason of the fact that he is or was a Member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, and against judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Indemnification of any such Person shall be made in accordance with the procedures set forth in the Arizona Nonprofit Corporation Act. Liability of the Directors shall also be limited as provided in the Articles.

1.9 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, or, in the case of a notice pursuant to Section 5.1 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, (ii) if to the Association, the Board of Directors or 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; and (iii) if to Declarant, at 7025 North Scottsdale Road, Suite 310, Scottsdale, Arizona 85253. 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 (3) 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; DISCIPLINE OF MEMBERS

2.1 Annual Meeting. The first annual meeting of the Members shall be held within one (1) year of the closing of the sale of the first Unit to an individual purchaser, 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 a majority of the Board of Directors or upon request by Unit Owners having at least twenty-five percent (25%) of the total allocated 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; provided, however, that notice periods shall be modified as necessary to not result in a violation of A.R.S. §33-1243 (relating to meetings to consider removal of directors) or any other provisions of the Condominium Act. 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 or change in Assessments requiring the approval of Members, and any proposal to remove a director or officer.

2.4 Quorum and Adjournment. Except as otherwise provided in the Articles, the Declaration or these Bylaws, including, without limitation, Section 7.4 of the Declaration, the presence in person, by absentee ballot under Section 2.7, or by proxy (if allowed under Section 2.6) of Members entitled to cast one-fourth (1/4) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Members, except for lower quorums (if any) as required by A.R.S. §33-1243 (relating to removal of directors) or other provisions of the Condominium Act. If a quorum shall not be present at any meeting, the Members entitled to vote thereat 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. Except as provided in Section 7.4 of the Declaration, any adjournment for lack of a quorum shall be to a date not more than thirty (30) days from the original meeting date. Meetings may also be adjourned to another place and time for reasons other than lack of quorum if the place and time are announced at the meeting at which adjournment is taken and the reconvened meeting is held within thirty (30) days of the adjourned meeting.

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 otherwise provides. 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. 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 person, each Unit Owner of the Unit may vote or register protest to the casting of votes by the other Unit Owner 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 if it 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. All proxies, including irrevocable proxies coupled with an interest, shall automatically cease upon conveyance by the Member of his Unit or upon receipt of actual notice by the Secretary of the Board of the death or judicially declared incompetence of such Member.

Notwithstanding anything to the contrary contained herein, after termination of the period of Declarant Control, votes allocated to the Units may not be cast pursuant to proxies.

2.7 Absentee Ballots. Any Unit Owner may vote by absentee ballot as authorized by A.R.S. §33-1250C of the Condominium Act and the Association shall make absentee ballots available for every meeting at which votes are to be taken. Votes cast by absentee ballot shall be counted for the purposes establishing a quorum under Section 2.4 above.

2.8 Record Date. For any meeting of the Members, the Board of Directors may fix in advance a date, not more than fifty (50) days nor less than ten (10) days before the date of such meeting, as a record date for the determination of the Members of record entitled to notice of, and to vote at, such meeting. The Members entitled to vote at any meeting of the Members will be determined as of the applicable record date if one has been fixed as aforesaid, otherwise as of the time the meeting is convened.

2.9 Organization and Conduct of Meetings. All meetings of Members will be called to order and thereafter chaired by an officer of the Association designated by the Board. If the President is unavailable, such other officer of the Association or such other Member as may be appointed by the Board of Directors may call the meeting to order and chair the meeting. The Board may also delegate the role of chairing the meeting to the Managing Agent (as defined in Section 3.11(b) below). The Association's Secretary will act as secretary of each membership meeting. In his absence, the chairman of the meeting may appoint any person (whether a Member or not) to act as secretary thereat. After calling a meeting to order, the chairman thereof may require the registration of all Members intending to vote in person and the filing of all proxies (if permitted) with the election inspector or inspectors, if one or more has/have been appointed (or, if not, with the secretary of the meeting), and announce the number of absentee ballots received. After the announced time for such filing of proxies (if permitted) has ended, no further proxies or changes, substitutions or revocations of proxies will be accepted. If Directors are to be elected, a tabulation of the proxies (if permitted) so filed, if any Person entitled to vote in such election so requests, will be announced at the meeting (or adjournment thereof) prior to the closing of the election polls. Absent a showing of bad faith on his part, the chairman of the meeting will, among other things, have absolute authority to fix the period of time allowed for the registration of Members and the filing of proxies (if permitted), to determine the order of the business to be conducted at such meeting and to establish reasonable rules for expediting the business of the meeting (including any informal or question-and-answer portion thereof).

2.10 Action Without a Meeting. Any action that, under the provisions of the Arizona Nonprofit Corporation Act, may be taken at a meeting of the Members may be taken without a meeting if authorized by a writing by all of the Persons who would be entitled to vote upon such an action at a meeting and filed with the Secretary of the Association.

2.11 Suspension of Voting Rights and Rights to Use the Recreational Amenities in the Common Elements. In the event any Unit Owner is in arrears in the payment of any Assessment, late charges, monetary penalties or other fees or charges due under the terms of the Condominium Documents for a period of ninety (90) days or such lesser period as the Board may specify in a Rule from time to time (but not less than thirty (30) days), the Unit Owner's right to vote as a Member of the Association and right to use, or to delegate the use of, the recreational Common Element amenities to his family members, guests and tenants, shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current. Such right to vote and/or to use or delegate the use of the recreational Common Element amenities may be suspended by the Board for a period not to exceed sixty (60) days for any other infraction of the Condominium Documents, under Section 5.1 below.

2.12 Membership Mandatory. The Membership of the Association shall consist of all record Owners of Units. Membership in the Association shall be mandatory and such Membership and voting rights are appurtenant to, and may not be separated from, ownership of the Unit. No Owner during his ownership of a Unit shall have the right to relinquish or terminate his Membership in the Association.

### ARTICLE 3

#### BOARD OF DIRECTORS

3.1 Number. The affairs of this Association shall be initially managed by a board of two (2) 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, except that during the Period of Declarant Control, the Board shall have from one (1) to three (3) Directors as specified by Declarant. During the Period of Declarant Control, the Declarant shall have the right to appoint and remove the members of the Board of Directors. Declarant-appointed Directors need not 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, all of whom must be Unit Owners, or agents or employees of Unit Owners for those Unit Owners which are entities. The Declarant may voluntarily surrender its 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. All directors elected by the Unit Owners shall be elected for a term of one (1) year or until their successors are elected and qualified.

3.3 Removal. Except with respect to the 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 Members having at least a majority of the total allocated 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.

3.4 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 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board of Directors.

3.8 Special Meetings. 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 telegraph, 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.

3.9 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.

3.10 Waiver of Notice/Attendance by Members/Notice to Members. Before any meeting of the Board, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice to that director. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting unless such attendance is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Such meetings shall be held at least once during each fiscal year and are open to all Members of the Association, provided, however, that Members who are not also Directors, may not participate in any deliberation or discussion unless authorized by a vote of the majority of a quorum of the Board and provided, further, that a portion of any meeting dealing with certain matters specified in

A.R.S. §33-1248 of the Condominium Act concerning litigation and other confidential matters of the Association may be closed to the Members. After the Period of Declarant Control expires or terminates, notice of the time and place of Board meetings may be given to Members by newsletter, conspicuous posting on or near the recreational Common Elements, or by any other reasonable means as determined by the Board. During the Period of Declarant Control, no notice of Board meetings need be given to Unit Owners; provided, however, that information regarding the time and place of the next scheduled Board meeting shall be provided to any Member who requests such information in good faith.

### 3.11 Powers and Duties.

(a) 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 and real property of the Association, 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, prescribe the duties and compensation of and dismiss the employees and/or other personnel necessary for the maintenance, operation, repair, and replacement of the Common Elements and real property of the Association and provide services for the Condominium and real property of the Association, and where appropriate, provide for the purchase of equipment, supplies and material to be used by such employees and/or other personnel in the performance of their duties;

(5) Provide for the operation, care, upkeep and maintenance of all of the Common Elements and real property of the Association in services of the Condominium (which may be provided by affiliates of Declarant, subject to the restrictions herein contained);

(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 thereof;

(8) In accordance with these Bylaws, suspend voting rights and rights to use the recreational Common Element amenities and/or impose monetary penalties;

(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 for 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) Borrow money on behalf of the Association when required in connection with the operation, upkeep and maintenance of the Common Elements, real property of the Association and/or operations of the Association; provided, however, the consent of Members representing at least sixty-seven percent (67%) of the total allocated votes in the Association shall be obtained 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;

(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) Appoint officers for the Association as provided in these Bylaws;

(14) Create, abolish, specify duties and procedure for/and appoint, remove and/or replace members of committees as the Board deems appropriate in carrying out its purposes. Committees may include Board members and non-Board members;

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

(16) Levy Assessments, late charges, fines and penalties in accordance with the Declaration and these Bylaws and take all necessary action to collect the same;

(17) 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;

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



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

(20) Prepare and file annual tax returns with the federal government and the State of Arizona and to make such elections as may be necessary to reduce or eliminate the tax liability of the Association, including an election to be taxed under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on homeowners associations;

(21) Institute, defend, and intervene in any litigation or administrative proceedings in its own name or on behalf of the Unit Owners; and

(22) Provide for an annual financial compilation of the activities of the Association in accordance with A.R.S. §33-1243K and other applicable provisions of the Condominium Act.

(b) 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 and the Condominium Documents, except for such duties and services that under the Condominium Act or the Condominium Documents 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 Condominium Act and the Condominium Documents other than the following powers:

(1) To adopt the annual budget, any amendment thereto, or to assess any Common Expenses;

(2) To adopt, repeal or amend Rules;

(3) To designate signatories on Association bank accounts;

(4) To borrow money on behalf of the Association;

(5) To acquire and mortgage Units or other real property; or

(6) To allocate Limited Common Elements.

(c) 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 not more than thirty (30) days' written notice. The term of any such contract may not exceed three (3) years. Any contract or lease negotiated by or with Declarant and/or its affiliates and purporting to bind the Association shall be terminable by the Association at will after the Period of Declarant Control expires.

## 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. 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; 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.

(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, 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 Members at the 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, including 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; SUSPENSION OF VOTING AND/OR RECREATIONAL COMMON ELEMENT USE RIGHTS

5.1 Power of Board of Directors to Impose Monetary Penalties or Suspend Voting and/or Recreational Common Element Use Rights. In accordance with the procedures set forth in this Article 5, the Board of Directors shall have the right to impose reasonable monetary penalties or fines against any Unit Owner, and/or suspend the voting rights or right of any Owner to use or delegate the use of recreational Common Element amenities under Section 2.11, who violates any provisions of the Condominium Documents other than failure to timely pay Assessments. The Association may impose late charges, charge delinquent interest and undertake the remedies specified for failure to timely pay Assessments in the Declaration and these Bylaws without regard to any of the mandatory hearing provisions hereof. Any monetary penalty or fine or suspension of voting or recreational Common Element use rights imposed by the Board of Directors in accordance with this Article 5 shall be imposed only after the procedures set forth in this Article 5 have been substantially complied with.

5.2 Notice of Violation. If the Board of Directors becomes aware of a violation of the Condominium Documents and desires to impose a monetary penalty and/or voting and/or recreational Common Element suspension against the Unit Owner who violated the Condominium Documents, the Board of Directors shall serve the Unit Owner with written notice of the violation. The notice shall contain the following:

(1) The nature of the alleged violation;

(2) The time and place of the hearing to be held by the Board of Directors on the violation, which time shall not be less than ten (10) days from the giving of the notice;

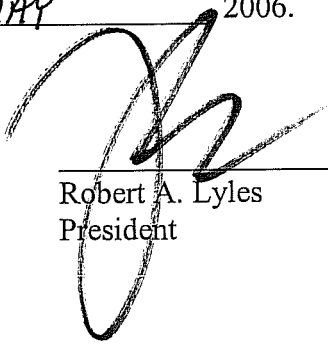
(3) An invitation to the Unit Owner to attend the hearing and produce statements, evidence and witnesses on his behalf and advising the Unit Owner that he may be represented at the hearing by an attorney;

(4) The proposed monetary penalty and/or suspension to be imposed by the Board of Directors.

5.3 Hearing. The hearing on any alleged violation of the Condominium Documents shall be held at the time and at the place designated in the notice served pursuant to Section 5.2 of these Bylaws. Proof of service of the notice as required by Section 5.2 of these Bylaws 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 served the 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 monetary penalty and/or suspension, if any, imposed by the Board of Directors. Any fine which is imposed by the Board following a hearing pursuant to this Section 5.3 shall be paid by the offending Owner within ten (10) days after a notice of the action of the Board is served upon the Owner. Service of the notice from the Board shall be made in the same manner as service of a Notice of Violation pursuant to Section 5.2 of these Bylaws. Any fines imposed pursuant to this Article 5 shall be the joint and several liability of all of the joint Owners of the Unit, including co-tenants and Persons holding title in community property.

### CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Association on the 1<sup>st</sup> day of MAY 2006.



Robert A. Lyles  
President