

**BYLAWS  
OF  
WARNER MEDICAL PARK UNIT 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 Condominium Declaration for Warner Medical Park, a condominium, recorded in the Official Records of the Maricopa County, Arizona, 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 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

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 **Financial Records.** 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) A balance sheet;
- (b) An operating (income) statement; and
- (c) A statement of changes in financial position for the fiscal year.

The annual financial report shall be on an audited, reviewed or compiled basis, as the Board of Directors determines, by an independent public accountant.

1.8 **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. So long as the Declarant owns one or more Units, any amendment must be approved in writing by the Declarant.

1.9 **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.

1.10 **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 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 Association 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 7343 East Camelback Road, Suite A, Scottsdale, Arizona 85253, c/o WM Investment, L.L.C. 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 more than one person owns a Unit, 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 after the date on which the Association is incorporated, and an annual meeting of the Members shall be held during each calendar year thereafter. The Board of Directors shall determine the date, time and place of each annual meeting of the Members.

2.2 **Special Meetings.** Special meetings of the Members may be called at any time by the president of the Board of Directors or a majority of the Board of Directors or 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 of the Board of Directors or person authorized to call the meeting by mailing a copy of each notice, postage prepaid, no fewer than ten (10) nor more than sixty (60) 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 or change in Assessments requiring the approval of Members, and any proposal to remove a director or officer.

2.4 **Quorums and Adjournment.** Except as otherwise provided in the Articles, the Declaration or these Bylaws, the presence in person or by proxy of Members entitled to cast fifty percent (50%) 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 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 7.3 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**. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If more than one person owns a Unit, 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 eleven (11) months 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 Directors of the death or judicially declared incompetence of such Member.

2.7 **Record Date**.

2.7.1 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.

2.7.2 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.

2.7.3 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 (60<sup>th</sup>) day before the date of other action, whichever is later, are entitled to exercise those rights.

2.7.4 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.

2.8 **Organizations and Conduct of Meetings.** All Members attending a meeting of the Members shall register with the secretary of the Board of Directors (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.

2.9 **Action by Written Ballot.** Any action that the Association may take at any annual, regular or special meeting of the Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written 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 by which a ballot must be delivered to the Association in order to be counted, which time shall not be less than three (3) days after the date that the Association delivers the ballot. Once a written ballot has been received by the Association, the ballot may not be revoked. Approval by written ballot pursuant to this Section is valid only if both the number of votes cast by ballot equals or exceeds the quorum required to be present at a 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 a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

2.10 **Action by Written Consent.**

2.10.1 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.

2.10.2 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. 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. 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.

2.11 **Voting Requirements.** Unless otherwise provided in the Condominium 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.

2.12 **Suspension of Voting Rights.** 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 fifteen (15) 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 fifteen (15) 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.

2.13 **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.** A board of one (1) director shall initially manage the affairs of this Association. 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 five (5) 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.

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.** Directors appointed by the Declarant shall hold office until their successors are elected and qualified. All directors elected by the Unit Owners shall be elected for a term of two (2) years or until their successors are elected and qualified.

3.3 **Resignation.** 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 of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date.

3.4 **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 sixty-seven percent (67%) 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.

3.5 **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.

3.6 **Action Taken Without A Meeting.** The Board of 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.

3.7 **Vacancies.** Until the termination of the Period of Declarant Control, any vacancy on the Board of Directors shall be filled by the Declarant. 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 through 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.

3.8 **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.

3.9 **Special Meetings.** Special meetings of the Board of Directors may be called by the president of the Board of Directors 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. The president or secretary of the Board of Directors shall call special meetings of the Board of Directors in like manner and on like notice on the written request of at least two (2) Directors.

3.10 **Quorum.** 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 or more directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of the 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 of the Board of Directors. 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 of the Board of Directors 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.

3.11 **Waiver of Notice/Attendance by Members/Notice to Members.** Before any meeting of the Board of Directors, 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 of Directors shall be a waiver of notice by him of the time and place 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. 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 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 meetings of the Board of Directors may be given to Members by newsletter, or by any other reasonable means as determined by the Board of Directors. During the Period of Declarant Control, no notice of meetings of the Board of Directors need be given to Unit Owners; provided, however, that information regarding the time and place of the next scheduled meeting of the Board of Directors shall be provided to any Member who requests such information in good faith.

### 3.12 **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, 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 provide services for the Condominium, 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 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 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;
- (8) In accordance with these Bylaws, suspend voting rights 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 of Directors 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 and/or operations of the Association;
- (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, and specify duties and procedure for/and appoint, remove and/or replace members of committees, as the Board of Directors deems appropriate in carrying out its purposes. Committees may include members of the Board of Directors and persons who are not members of the Board of Directors;
- (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; and

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

(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 president, vice president, secretary, and 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, the Board of Directors shall elect all officers. After the Period of Declarant Control, the president of the Association 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 Board of Directors shall elect the officers of the Association annually 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 **Resignations and Removal.** Except for officers appointed by the Declarant, the Board of Directors may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary of the Board of Directors. 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 the Managing Agent pursuant to Section 3.12(b), the powers and duties of the officers shall be as follows:

(a) **President.** The president of the Association 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 of the Association shall act in the place and stead of the president of the Association 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 of the Association 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 of the Association 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.** Either the president or vice-president of the Association may execute any amendments to the Declaration or the Plat, which are required by the Condominium Act or the Declaration to be executed by the Association.

### CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Association on the 8<sup>th</sup> day of March, 2004.

  
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**Jeffrey S. Fry**  
**Its: Director**