

ARTICLE VIII

8. Mortgagees.

8.1. Notice to Association.

Upon request, every Member who Mortgages a Lot or Condominium shall notify the Association through the Manager, or through the Secretary if there is no Manager, of the name and address of the Member's Mortgagee. Upon request, Members shall notify the Association of the release or discharge of any such Mortgage.

8.2. Notice of Unpaid Assessments.

The Association shall, at the request of a Mortgagee, report any unpaid assessments due from the Owner of such Lot or Condominium in accordance with the provisions of the Declaration.

ARTICLE IX

9. Conflicting Provisions.

If any of these Bylaws conflict with any laws of the State of California, such conflicting Bylaws shall be void upon final court determination to such effect, but all other Bylaws shall remain in full force. In 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.

ARTICLE X

10. Indemnification of Directors and Officers.

The Board may authorize the Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, any present or former Association Director, officer, committee member, employee or agent as provided in the Declaration.

ARTICLE XI

11. Miscellaneous.

11.1. Checks, Drafts and Documents.

All checks, drafts or other orders for payments of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, must be signed or endorsed by the President and Treasurer of the Association, or by such person or persons and in such manner as the Board designates by resolution, subject to the provisions of Section 6.3 of the Declaration.

11.2. Execution of Documents.

The Board may authorize any officer or agent to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent, committee

member or employee may bind the Association by any contract or engagement or pledge its credit or render it liable for any purpose or in any amount.

11.3. Association Documents.

In addition to the rights afforded by the Declaration to Beneficiaries, insurers and guarantors of first Mortgages with regard to inspection of the Association's management documents, the Association shall maintain at its principal office (or at such other place within the Properties as the Board may prescribe) the Restrictions and the Association's books of account; minutes of meetings of Members, Delegates, the Board and Board committees; and the Membership Register (collectively, the "Association Documents"), each of which shall be made available for inspection and copying by any Member or the Member's duly appointed representative for a purpose reasonably related to the Member's interest as a Member.

11.3.1. Access Rules. The Board shall establish reasonable rules regarding (a) notice to be given to the custodian of the Association Documents by the Person desiring to make the inspection, (b) hours and days of the week when such an inspection may be made, and (c) payment of the cost of copying any of the requested Association Documents; provided that every Director shall have the absolute right at any reasonable time to inspect all Association Documents and the physical properties owned or controlled by the Association, which right shall include the right to make extracts and copies of documents.

11.3.2. Minutes. The minutes, minutes that are proposed for adoption and are marked to indicate draft status, or a summary of the minutes of any meeting of the Board (other than an executive session) must be available to Members within thirty (30) days of the meeting. The minutes, proposed minutes or summary minutes must be distributed to any Member upon request and upon reimbursement of the Association's costs in making that distribution. Members must be notified in writing, at the time that the Budget required in Section 4.5.1 hereof is distributed or at the time of any general mailing to the entire Association membership, of their right to have copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

11.3.3. Copies/Statements. Notwithstanding any contrary Board rules, no later than ten (10) days after the Association receives written request from any Member, the Association must provide to that Member a copy of any one or more of the following documents requested by the Member for purposes of providing the documents to a prospective purchaser of the Member's Lot or Condominium: Articles; Bylaws; Declaration; Rules and Regulations; a copy of the most recent financial statement described in Section 4.5 hereof; a true written statement from an authorized Association representative showing the amount of the Association's current assessments and fees, as well as any assessment upon that Member's Lot or Condominium which is due and unpaid as of the statement date, as well as any late charges, interest or costs of collection which have been or may be enforced by a lien upon the Member's Lot or Condominium as of the statement date; and any change in the Association's current assessments and fees which have been approved by the Board, but have not become due and payable as of the date disclosure is provided pursuant to this section. The Association may

charge a fee for this service not exceeding the Association's reasonable cost to prepare and reproduce the requested documents.

11.4. Fiscal Year.

The Board shall determine the Association's fiscal year. The fiscal year is subject to change as the Board determines.

ARTICLE XII

12. Notice and Hearing Procedure.

12.1. Suspension of Privileges.

If an alleged violation of the Restrictions occurs, and after written notice of such alleged violation is delivered personally or mailed to the responsible Owner, Project Association, or any agent of the responsible Owner or Project Association alleged to be in default ("respondent") in the manner herein provided, by first-class mail or by certified mail return receipt requested, or both, the Board may, after affording the respondent an opportunity for an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of the Board or a majority of the Members of any committee of the Board constituted to conduct such hearings ("Hearing Committee"), take any one (1) or more of the following actions:

- (a) Levy a Special Assessment as provided in the Declaration;
- (b) Suspend or condition the right of the respondent and persons claiming through the respondent to use any recreational facilities the Association owns, operates or maintains;
- (c) Suspend the respondent's voting privileges as a Member, as provided in the Declaration;
- (d) Record a notice of noncompliance encumbering the respondent's Lot, Condominium or Common Area; or
- (e) Enter upon the respondent's Lot, Condominium or Common Area to correct the violation of the Restrictions, as further provided in the Declaration.

Any such suspension may not be for a period of more than thirty (30) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) may be imposed for so long as the violation continues. Suspension of Membership privileges does not relieve the respondent's obligation to pay all assessments levied by the Association or to otherwise comply with the Restrictions. The Board's failure to enforce the Restrictions does not waive the right to enforce the same thereafter. The remedies set forth above and otherwise provided by these Bylaws are cumulative and not exclusive. However, any individual Member or Project Association must exhaust all available