

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

internal Association remedies prescribed by the Restrictions, before that Member or Project Association may resort to a court of law for relief with respect to any alleged violation of the Restrictions by another Member or Project Association. The foregoing limitation pertaining to exhausting internal remedies does not apply to the Board or to any Member or Project Association where the complaint alleges nonpayment of Association assessments.

12.2. Written Complaint.

A hearing to determine whether a right or privilege of the respondent under the Declaration or these Bylaws should be suspended or conditioned, or whether a Special Assessment should be levied, may be initiated by any Member, any Project Association or by any officer or member of the Board by filing a "Complaint" (as hereafter defined) with the President or other presiding member of the Board. A "Complaint" is a written statement of charges which describes in ordinary and concise language the acts or omissions with which the respondent is charged and a reference to the specific provisions of the Restrictions which the respondent is alleged to have violated. A copy of the Complaint must be delivered to the respondent in accordance with the notice procedures set forth in the Declaration, together with a completed statement substantially in the following form:

"Unless a written request for a hearing signed by or on behalf of the person named as respondent in the accompanying Complaint is delivered or mailed to the Board of Directors within fifteen (15) days after the Complaint, the Board of Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering (as evidenced by a dated receipt signed by the Association's agent) or mailing (by certified mail, return receipt requested) the enclosed form entitled 'Notice of Defense' to the Board of Directors at the following address: \_\_\_\_\_

*You may, but need not, be represented by counsel at any or all stages of these proceedings.* If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Directors, you may contact \_\_\_\_\_."

The respondent is entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board. The respondent may file a separate statement by way of mitigation, even if he does not file a Notice of Defense.

12.3. Notice of Hearing.

The Board shall serve a notice of hearing, as provided herein, on all parties at least ten (10) days prior to the hearing, if a hearing is requested by the respondent. The Board or Hearing Committee shall conduct the hearing no sooner than thirty (30) days after the Complaint is

mailed or delivered to the respondent as provided in Section 12.2 above. The notice to the respondent must be in substantially the following form but may include other information:

"You are hereby notified that a hearing will be held before the Board of Directors of Trailwood Maintenance Association ("Association"), or a Hearing Committee appointed by the Board of Directors for the purpose of conducting such hearings. The hearing will be held at \_\_\_\_\_ on \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ .m., upon the charges made in the Complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence, and you will be given full opportunity to examine all witnesses testifying against you. You are entitled to request the attendance of witnesses and the inspection, and production of books, documents or other items by applying to the Board of Directors at least two (2) business days prior to the hearing date."

12.4. Hearing.

The Board or the Hearing Committee shall conduct the hearing, in executive session pursuant to the notice described in Section 12.3 above. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard must be placed in the minutes of the meeting. Such proof is adequate if a copy of the notice together with a statement of the date and manner of delivery and the identity of the Person giving the notice is entered in the minutes. The notice requirement is satisfied if the respondent appears at the meeting. The minutes of the meeting must contain a written statement of the results of the hearing and the sanction, if any, imposed. No action against the respondent arising from the alleged violation may take effect sooner than five (5) days after the hearing.