

BYLAWS

OF

CRESTRIDGE SUBDIVISION HOMEOWNERS' ASSOCIATION

ARTICLE I - NAME, MEMBERSHIP AND DEFINITIONS

Section 1 - Name. The name of the Association shall be CRESTRIDGE SUBDIVISION HOMEOWNERS' ASSOCIATION (hereinafter sometimes referred to as "the Association").

Section 2 - Membership. The Association shall have one class of membership, as more fully set forth in that Declaration of Covenants, Conditions and Restrictions for CRESTRIDGE SUBDIVISION HOMEOWNERS' ASSOCIATION (said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as "the Declaration"), the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 3 - Definitions. The words used in these Bylaws shall have the same meaning as set forth in said Declaration, unless the context shall prohibit.

ARTICLE II - ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

Section 1 - Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors either in CRESTRIDGE SUBDIVISION HOMEOWNERS' ASSOCIATION or as convenient thereto as possible and practical.

Section 2 - Annual Meetings. The first meeting of the members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. The next annual meeting shall be set by the Board so as to occur no later than thirty (30) days before the close of the Association's fiscal year. Subsequent regular annual meetings of the members shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board. The annual meeting of the members shall be held at a date and time as set by the Board of Directors.

Section 3 - Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to

call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by at least 25% of the total votes of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4 - Notice of Meeting. It shall be the duty of the Secretary/Treasurer to mail or to cause to be delivered to the owner of record of each Residential Lot a notice of each annual or special meeting of the Association stating the purpose of the special meeting, as well as the time and place where it is to be held; if an owner wishes notice to be given at an address other than his or her Residential Lot, he or she shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten (10) nor more than sixty (60) days before a meeting.

Section 5 - Waiver of Notice. Waiver of notice of any meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 6 - Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that any action taken shall be approved by at least a majority of the members required to constitute a quorum.

Section 7 - Voting. The voting rights of the member shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 8 - Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary/Treasurer before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member or his or her Residential Lot or upon receipt of notice by the Secretary/Treasurer of the Board of the death or judicially declared incompetence of a member or upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or ~~disapproval with respect to any proposal.~~

Section 9 - Majority of Owners. As used in these Bylaws, the term majority shall mean those votes, owners or other group as the context may indicate totaling more than 50% of the total number.

Section 10 - Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of one-third (1/3) of the members shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein. X

Section 11 - Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary/Treasurer shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 12 - Action Without a Meeting. Any action which may be taken by the vote of members at a regular or special meeting, except the election of Board members, may be taken without a meeting as and to the extent permitted by Oregon law.

ARTICLE III - BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. COMPOSITION AND SELECTION:

Section 1 - Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in Section 2 of this Article, the Directors shall be members or spouses of such members; provided, however, no person and his or her spouse may serve on the Board at the same time.

Section 2 - Number of Directors. The number of Directors in the Association shall be not less than three (3) nor more than nine (9), as the Board of Directors may from time to time determine by resolution. The initial Board shall consist of five (5) members.

Section 3 - Nomination of Directors. Except with respect to Directors selected by the Declarant, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. ~~The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine but in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.~~

Section 4 - Election and Term of Office. Notwithstanding any other provision contained herein:

- A. At the first annual meeting of the membership, and at each annual meeting of the membership thereafter, Directors shall be elected. Cumulative voting shall not be permitted.
- B. The initial terms of the Directors shall be fixed at the time of their election as they, among themselves, shall determine. So long as there are five (5) Directors, the terms of three (3) Directors shall be fixed at two (2) years, the terms of two (2) Directors shall be fixed at three (3) years. So long as there are eight (8) or more

Directors, there shall be concurrent terms no less than three (3) members. At the expiration of the initial term of office of each respective member of the board of Directors, a successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 5 - Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed, with or without cause, by a majority vote of the Owners of Lots, and a successor may then and there be elected to fill the vacancy thus created. A Director whose removal has been proposed by the Owners of Lots shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than twenty (20) days may be removed by a majority vote of the Directors at a meeting, a quorum being present. A Director who was elected solely by the votes of members other than the Declarant may be removed from office prior to the expiration of his or her term by the votes of a majority of members other than the Declarant.

In the event of death or resignation of a Director, his or her successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 6 - Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a Director by vote of the Association, shall be filled by a vote of the majority of the remaining Directors, even though less than a quorum, at any meeting of the Board. Each person so elected shall serve the unexpired portion of the vacated term.

Section 7 - Voting Procedure for Directors. The first election of the Board shall be conducted at the first meeting of the Association. At such election, the members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

Section 8 - Organization Meeting. The first meeting of the members of the Board of Directors shall be held within ten (10) days following the first annual meeting of the membership at such time and place as shall be fixed by the Board.

Section 9 - 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 a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be posted at a prominent place within the Common Area and shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 10 - Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary/Treasurer of the Association, or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone or telegraph shall be delivered, telephone or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting. Notices shall be posted at a prominent place within the Common Area not less than seventy-two (72) hours before the time set for the meeting.

Section 11 - Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice of (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of the notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement after the lack of adequate notice.

Section 12 - Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13 - Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by a majority vote of the total vote of the Association at a regular or special meeting of the Association.

Section 14 - Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary/Treasurer shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

Section 15 - Open Meetings. All meetings of the Board shall be open to all members, but members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

Section 16 - Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 17 - Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors. An explanation of the action taken shall be posted at a prominent place or places within the Common Area within three (3) days after the written consents of all the Board members have been obtained.

Section 18 - Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles or these Bylaws directed to be done and exercised exclusively by the members.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- A. Preparation and adoption of an annual budget in which there shall be established the contribution of each owner to the common expenses.
- B. Making assessments to defray the common expenses, establishing the means and methods of collection of such assessments, and establishing the period of the installment payments of the annual assessment (unless otherwise determined by the Board of Directors, the annual assessment against the proportionate share of the common expenses shall be payable in equal monthly installments, each such installment to be due and payable

in advance on the first day of each month for said month).

- C. Providing for the operation, care, upkeep and maintenance of all the Common Area.
- D. Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Association, its property, and the Common Area and, where appropriate, providing 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.
- E. Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association. X
- F. Making and amending rules and regulations.
- ~~G. Opening of bank accounts on behalf of the Association and designating the signatories required.~~
- H. Making or contracting for the making of repairs, additions and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty.
- I. Enforcing by legal means the provisions of the Declaration, these Bylaws and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the owners concerning the Association. X
- J. Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof. X
- K. Paying the cost of all services rendered to the Association or its members and not chargeable to owners.
- L. Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books

and vouchers accrediting the entries thereupon shall be available for examination by the owners and mortgagees, their duly authorized agents, accountants or attorneys during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices.

- M. Make available to any prospective purchaser of a Residential Lot, any Owner of a Residential Lot, any first Mortgagee, and the Holders, Insurers, and Guarantors of a first Mortgage on any Residential Lot current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the Residential Lot, and all other books, records and financial statements of the Association.
 - N. Permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.
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Section 19 - Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- A. Accounting and controls should conform with established American Institute of Certified Public Accountants (AICPA) guidelines and principles (a segregation of accounting duties should be maintained, and disbursements by check shall require two (2) signatures. Cash disbursements shall be limited to amount of Twenty-Five Dollars (\$25) and under).
- B. Cash accounts of the Association shall not be commingled with any other accounts.
- C. No remuneration shall be accepted by the managing Agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; any thing of value received which shall benefit the Association.

- D. Any financial or other interest which the managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors.

Section 20 - Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Area and facilities without the approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner provided in Article VII, Section 2, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed 5% of the budgeted gross expenses of the Association for that fiscal year.

Section 21 - Rights of the Association. With respect to the Common Areas or other Association responsibilities owned, and in accordance with the Articles of Incorporation or Bylaws of the Association, the Association shall have the right to contract with ~~any person for the performance of various duties and functions.~~ Without limiting the foregoing, this right shall entitle the Association to enter into common management, operation or other agreements with trusts, condominiums, cooperatives or neighborhood and other homeowners or residents associations, both within and without the Properties. Such agreement shall require the consent of two-thirds (2/3) of the total votes of all Directors of the Association.

Section 22 - Hearing Procedure. The Board shall not impose a fine, suspend voting or infringe upon any other rights of a member or other occupant for violations of rules unless and until the following procedure is followed:

- A. Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:
- i. The alleged violation.
 - ii. The action required to abate the violation.
 - iii. A time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same

rule may result in the imposition of a sanction after notice and hearing if the violation is to continuing.

B. Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a hearing to be held in executive session. The notice shall contain:

i. The nature of the alleged violation.

ii. The time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice.

iii. An invitation to attend the hearing and produce any statement, evidence and witness on his or her behalf.

iv. The proposed sanction to be imposed.

C. Hearing. The hearing shall be held in executive session pursuant to this notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard 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 delivered such 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 sanction, if any, imposed.

Section 23 - Prohibited Acts. The Board of Directors shall not take any of the following actions except with the written consent of a majority of the total votes of the Association, other than those of the Declarant:

- A. Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year.
 - B. Selling during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year.
 - C. Paying compensation to members of the Board or to the officers of the Association for services performed in the conduct of the Association's business; provided, however, the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.
 - D. Levy special assessments which in the aggregate exceed 5% of the budgeted gross expense of the Association for that fiscal year.
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- E. Fill a vacancy on the Board created by the removal of a Director.
 - F. Enter into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions.
 - i. A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans' Administration.
 - ii. A contract with a public utility company, if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.
 - iii. Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the policy permits short rate cancellation by the insured.

- iv. Lease agreements for laundry room fixtures and equipment of a duration not to exceed five (5) years, provided that the lessor is not an entity in which Declarant or its successors have a direct or indirect interest of 10% or more.

ARTICLE IV - OFFICERS

Section 1 - Officers. The officers of the Association shall be a President, Vice President and a Secretary/Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, excepting the offices of President and Secretary/Treasurer. The President and Secretary/Treasurer shall be elected from among the members of the Board of Directors.

Section 2 - Election, Term of Office and Vacancies. ~~The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members, and herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.~~

Section 3 - Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interest of the Association will be served thereby.

Section 4 - Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Secretary/Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5 - Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary/Treasurer. Such resignation shall take effect on the date of the 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.

Section 6 - Agreements, Contracts, Deeds, Leases, Checks. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE V - COMMITTEES

General. Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by law and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE VI - MISCELLANEOUS

Section 1 - Fiscal Year. The initial fiscal year of the Association shall be set by resolution of the Board of Directors.

Section 2 - Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when to in conflict with Oregon Law, the Articles of Incorporation, the Declaration or these Bylaws.

Section 3 - Conflicts. If there are conflicts or inconsistencies between the provisions of Oregon law, the Articles of Incorporation, the Declaration and these Bylaws, the provisions of Oregon law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

Section 4 - Books and Records.

- A. Inspection by Members. The membership register, books of account and minutes of meeting of the members, the Board and committees shall be made available for inspection and copying by any member of the Association or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a member at the office of the Association or at such other place within CRESTRIDGE SUBDIVISION HOMEOWNERS' ASSOCIATION as the Board shall prescribe.
- B. Rules for Inspection. The Board shall establish reasonable rules with respect to:
- i. Notice to be given to the custodian of the records by the member desiring to make the inspection.
 - ii. Hours and days of the week when such an inspection may be made.
 - iii. Payment of the cost of reproducing copies of documents requested by a member.
- C. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents at the expense of the Association.

Section 5 - Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first class postage prepaid:

- A. If to a member, at the address which the member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Residential Unit of such owner.

B. If to the Association, the Board of Directors, the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the notice in writing to the owners pursuant to this Section.

Section 6 - Amendment. These Bylaws may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of the total votes of the Association, which shall include a majority of the votes of members other than the Declarant or, where the two (2) class voting structure is still in effect, shall include a majority of each class of members.

Section 7 - Audit. An audit of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide; provided, however, after having received the Board's audit at the annual meeting, the Owners, by a majority vote, may require that the accounts of the Association be audited ~~as a common expense by a public accountant.~~ Upon written request of any institutional holder of a first mortgage, such holder shall be entitled to receive a copy of the annual audited financial statement within ninety (90) days after the end of each fiscal year.

We, the undersigned, being all the Directors of CRESTRIDGE SUBDIVISION HOMEOWNERS' ASSOCIATION, do hereby certify:

That we are entitled to exercise all the voting power of said Corporation; and

That we hereby assent to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of said Corporation.

DATED this _____ day of _____, 1993.

ROBERT WATSON

JAMES R. SCHMIT

JOICE HIMMELSBACH

HAROLD PRESCOTT

GEORGE ARTHUR

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