BY – LAWS

OF

"ALICANTE PARK OWNERS ASSOCIATION "

ARTICLE I

Section 1. OFFICE. The office of this association shall be located somewhere within the County of Los Angeles, State of California, as specified by the Board of Governors.

Section 2. CORPORATE PURPOSE. The specific and primary purpose for which this Association is formed, is to exercise the powers granted to it by the Declaration of Restrictions for Lot1, Units 1 through 28 inclusive of tract 31730 known as the ALICANTE PARK as the same may be recorded in the office of the County Recorder of Los Angeles County and as from time to time amended.

ARTICLE II

Section 1. Each owner of a condominium and the accompanying undivided interest in the common area, both of which are non-separable, in the property described in Article I of these By-Laws, said property being hereinafter call "Real Property", shall be a member of this Association. The transfer of title to any such condominium shall automatically transfer the membership apparent thereto to the transferee. No such membership may be served from the condominium to which the apparent or transferred except in connection with a

conveyance of the members interest or ownership of such condominium. In the event that any such condominium is owned by two or more persons, then such persons shall designate in a writing to be filled with this association which one of them shall represent (as a member) the interest of said condominium in the Association, and, in the absence of such designation, this Association may select which one of such persons, shall act as such a member.

ARTICLE III

Maintenance Fees, Assessments and Lien Rights

Section 1. MAINTENANCE FEES AND ASSESSMENTS. The Board of Governors shall fix and determine form time to time the fees and assessments to be paid by each member in reasonable sums determined as provided in the Declaration of Restrictions above referred to. The officers for this Association are authorized to bring an action at law against any members for such membership fees or assessments which are delinquent.

Section 2. LIEN RIGHTS. The Association, for the purpose of enforcing payment of said fees and assessments, shall have a lien against the interest of any member of said Real Property to secure the faithful performance in compliance with these By-Laws and the full and prompt payment of all fees and assessments levied by the Board of Governors, and in the event of non-performance or a default by any members, said interest of such member may be for-closed by this Association in a manner similar to the provisions of Section 1356

of the California Civil Code, and any redemption thereafter shall be subject to the lien hereby created as to other or future events of non-performance of default, and the lien hereby created shall likewise apply to the Grantee of any Sheriff's Deed after foreclosure as to other or future events of non-performance or default, provided, however, it is specifically understood that the lien hereby crated shall, at all time be subordinate and inferior to the lien of any bona fide lender which now exist or is hereafter placed an said Real Property or any part or parcel thereof.

Section 3. PAYMENT OF ASSESSMENTS BY AND VOTING RIGHTS. The Developer of the Real Property described in Article I hereof, shall be liable to pay all fees and assessments levied by the Board of Governors against any unsold units at the same time, in the manner and in the same amounts as any other member and shall have the same rights with reference to said unsold residential unit, including voting rights hereunder, i.e., one vote for each unsold residential unit, as any other owner of a unit or units is said subdivision.

ARTICLE IV

Membership Rights and Privileges

Section 1. No member shall the right without the prior approval of the Board of Governors to exercise any of the powers or to perform any of the acts by these By-Laws delegated to the Board of Governors as in Article VI, of these By-Laws more fully provided.

Section 2. Regular and special meetings of the governing body shall be open to all members of the Association provided, however, that Association members who are not on the Boars of Governors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board of Governors.

Section 3. There is no purported power in the Association to cause a forfeiture or abridgement of an owner's rights to the full use and enjoyment of his individually owned subdivision interest on account of failure by the owner to comply with provisions of the governing instruments or of duly enacted rules of operation for common areas and facilities except where the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the owner to pay assessments levied by the Association.

ARTICLE V

Section 1. PLACE OF MEETINGS. All meetings of members shall be held within the subdivision, City of La Mirada, Los Angeles County, California, or as close thereto as practicable.

Section 2.ANNUAL MEETINGS OF MEMBERS. The annual meetings of members shall be held on the first day of December of each year; provided, however, that should said day fall upon a legal holiday, then any such annual meeting of members shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday, provided, that in any event an organization meeting shall be held as promptly as possible

following the sale of a majority of the condominiums, but in no event later than six months after the sale of the first unit and undivided interest in the common area. Governors chosen at the organizational meeting shall serve until the next annual meeting and until their successors are elected.

Written notice of each such annual meeting shall be given to each member either personally or by sending a copy of the notice through the mail or by telegraph, charges pre-paid, to his address appearing on the books of the Association or supplied by him to the Association for the purpose of notice. If a member supplies no address, notice shall be deemed to have been given him if mailed to the place where the principal office of the Association is situated, or published at least once in some newspaper of general circulation in the county of said principal office. All such notices shall be sent to each regular member not less than ten days and not more than sixty days before each annual meeting, and shall specify the place, the day and the hour of such meeting.

Section 3. SPECIAL MEETINGS. Special meetings of members, for any purpose or purposes whatsoever shall be called at any time by the President of the Board of Governors upon the vote of a majority of a quorum of the Board of Governors or upon receipt of a written request therefore signed by members representing 25% of the total voting power of the Association of by members representing not less than15% of the total voting power residing in members other than the subdivider. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of members. Notice of any special meeting shall specify in

addition tot eh place, day and hour of such meeting, the general nature of the business to be transacted.

Section 4. AJOURNED MEETINGS AND NOTICE THEREOF. Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned form time to time by the vote of majority of the members present in person or represented by proxy, but in the absence of a quorum, no other business may be transacted at any such meeting.

When any membership meeting either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjourned meeting, other than by an announcement at any adjourned meeting, other than by an announcement at the meeting at which such adjournment is taken.

Section 5. ENTRY OF NOTICE. Whenever any member has been absent form any meeting of the membership, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such member as required by law and the By-Laws of the Association.

Section 6.VOTING. At all meetings of members each member shall be entitled to one vote for each residential unit owned in said property. Such vote may be viva vote or by ballot, provided that all elections for election or removal of directors must be by secret ballot upon demand made by any member at any election for election or removal of Governors shall have the right to cumulate his votes and give one candidate a number of votes equal to

the number of Governors to be or removed multiplied by the number of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidate receiving the highest number of votes up to the number of Governors to be elected shall be elected. If the total number of membership votes excluding the declarant is less than the quotient arrived at when one (1) plus the number of authorized Governors is divided into the total membership votes, the members of the association excluding the declarant shall have the right to solely elect at least one member of the Board of Governors through the cumulating of all of their votes.

Section 7.QUORUM. The presence in person or by proxy of fifty percent (50%) of the membership votes entitled to vote at any meeting shall constitute a quorum for the transaction of business. 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, a majority of those members present at any one time shall prevail on all matters brought before the meeting at that time, except on those matters where a specific voting requirement has been established in the Declaration or within these By-Laws. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting, but may not transact any other business, to a time not less than 5 days nor more than 30 days from the time the original meeting was called; provided that such action of adjournment as herein contemplated can take place only if twenty-five percent (25%) of said members are present in person or by proxy at the time of the vote upon the motion for adjournment.

Section 8.CONSENT OF ABSENTEES. The transaction of any meeting of members, either annual or special however called and noticed, shall be as invalid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals, shall be filed with the Association records or made a part of the minutes of the meeting.

Section 9.ACTION WITHOUT MEETING. Any action, which under the provisions of the Association may be taken at a meeting of the members, may be taken without a meeting if authorized by a writing signed by all of the members who would with the secretary of the Association.

Section 10. PROXIES. Every person is entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the Association, provided that no such proxy shall be valid after the expiration of eleven months from the date of its execution, and provided further that in no event shall a proxy continue in force after the person granting such proxy is no longer entitled to membership in the Association as defined in Article II above.

ARTICLE VI

Governors

Section 1. POWERS. Subject to limitations by the By-Laws, and/ or the California Association Code as to action to be authorized or approves by the members, and subject to the duties of Governors as prescribed by the By-Laws, all Association powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by the Board of Governors. Any management body or agent named by said Owners Association shall be employed to manage only until the first annual election of Governors, at which time the same or another body or agent shall be elected by a majority of the Governors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Governors shall have the following powers:

FIRST: To select the remove all the other officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of the By-Laws, fix their compensation and require from them security for faithful service.

SECOND: To conduct, manage and control the affairs and business of the Association, and to make such rules and regulations therefore not inconsistent with the law, with the By-Laws as they may deem best.

THIRD: To change the principal office for the transaction of the business of the Association form one location to another within the same county; to designate a place within the County of Los Angeles for the holding of any membership meeting; and to adopt, make and use an Association seal, and to alter the form of such seal form time to time as in their judgment may deem best, provided such seal shall, at all times, comply with the provisions of law.

FOURTH: To borrow money and incur indebtedness for the purposes of the Association and to cause to executed and delivered therefore, in the Association name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefore; to prepare budgets and financial statements as prescribed in the governing instruments; to grant easements or use rights affecting the common areas; and to annex additional land to the existing development.

FIFTH: To manage, operate, maintain and repair any personal property or real property owned by the Association, together with all buildings, structures and other improvements on said real property, including (by way of description and not by way of limitation), the following:

(a) To contract and pay for (1) fire, casualty, liability and other insurance said property owned by the Association, and (2) bonding expense incurred in bonding the officers and Governors of the Association.

(b) To pay all charges for water metered or charged to the Association in the operation and maintenance of property owned by the Association.

(c) To provide and pay for appropriate lighting on all property owned by the Association.

(d) To maintain, repair and paint the property owned by the Association and any improvements now or hereafter constructed thereon, and to provide and pay for maintenance and/ or janitorial services for said property.

(e) To landscape, care for, maintain and water all plants areas of said property.

(f) To restore or replace any or all of said buildings, structures, or improvements at any one time and from time to time as the Board of Governors may determine desirable or necessary.

(g) To pay for reconstruction of any portion or portions of the project damaged or destroyed which are to be rebuilt.

(h) To purchase, own and/or sell any real and/or personal property owned by the Association and to grant easements and/or use rights affecting the common areas and/or any property either real or personal owned by the Association.

(i) To enforce each and every one of the provisions of these By-Laws or any other agreement to which this Association is a party.

(j) To contract and pay for maintenance, gardening, utilities, materials and supplies, and services relating to the condominium's property and to employ personal necessary for

the operation of said property, including legal and accounting services but no contract for materials, supplies, or services shall exceed in duration a term of one (1) year except with the approval of a majority of the members of this Association, excluding declarant's vote.

(k) To pay any taxes and special assessments which are or would become a lien on the common area owned or controlled by the Association.

(l) To delegate any of its powers hereunder, to committees, officers or employees.

(m) Enter into any lot or unit when necessary in connection with maintenance or construction for which the management body is responsible.

Section 2. NUMBER AND QUALIFICATIONS OF GOVERNORS. The Board of Governors shall consist of not less than five (5) Governors all of whom shall be owners or greater number adopted by the vote or written assent of members entitled to exercise a majority of the voting power.

Section 3. ELECITON AND TERM OF OFFICE. The governors shall be elected at each annual meeting of members but if any such annual meeting is not held, or the Governors are not elected thereat, the Governors may be elected at any special meeting of members held for that purpose. All Governors shall hold office until their successors are elected.

For Associations with five (5) governing body members, the term of office shall either be concurrent one (1) year terms or staggered two (2) year terms with three (3j Governors elected the first year for one (1) year term and two (2) Governors elected for a

two (2) year term. The following year and thereafter; the three (3) Governors initially elected for one (1) year terms, will be elected for two (2) year terms. At the first annual meeting of the members, the choice between staggered or concurrent terms shall be established by an affirmative vote of not less than fifty-one percent (51%) of the membership votes, excluding declarant's vote.

Section 4. VACANCIES. Vacancies in the Board of Governors may be filled by a majority of the remaining Governors, though less than a quorum, and each Governor so elected shall hold office until his successor is elected at an annual meeting of members, or at a specific meeting called for that purpose.

A vacancy or vacancies shall be deemed to exist in case of death, resignation, or removal of any Governor, or if the members shall increase the authorized number of Governors but shall fail at the meeting at which such increase is authorized, or at any adjournment thereof, or in case the members fail at any time to elect the full member of authorized Governors.

The members may at any time elect Governors to fill any vacancy not filled by the Governors, and may elect the additional Governors at the meeting at which an amendment of the By-Laws is voted authorizing an increase in the number of Governors.

The entire Board of Governors or an individual Governor may be removed from office by a vote of members holding a majority of the membership voting rights entitled to vote at an election of Governors. However, unless the entire board is removed an individual Governor shall not be removed if the number of votes cast against his removal is greater than the quotient arrived at by dividing the total number of votes that may be cast under

cumulative voting procedures by a divider equal to one (1) plus the authorized number of Governors. If any or all Governors are so removed new Governors may be elected at the same meeting. In the event a Governor has been elected to office solely by the votes of members of the Association other than the declarant, he may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in members other than the declarant.

If any Governor tenders his resignation to the Board of Governors, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of Governors shall have the effect of removing any Governor prior to the expiration of his term of office.

Section 5. PLACE OF MEETING. All meetings of the Board of Governors shall be held at the principal office of the Association, or as close thereto as practical within the county wherein the subdivision is located.

Section 6. ORGANIZATION MEETING. Immediately following each annual meeting of members, the Board of Governors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 7. OTHER REGULAR MEETINGS. Other regular meetings of the Board of Governors shall be held without call monthly of the second Thursday of each month at 5:00 P.M., provided, however, should said day fall upon a legal holiday, then said meeting shall

be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board of Governors shall be posted at a prominent place or places within the common area.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Governors for any purpose or purposes shall be called at any time by the president, or if he is absent, unable or refuses to act, by any vice-president or by any two Governors.

Written notice of the time, place and the nature of business of special meetings shall be delivered personally to the Governors or sent to each Governor by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the Association, or, if it is not shown on such records or is not readily ascertainable, at the place in which the meetings of the Governors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States Mail or delivered to the telegraph company in the place in which the principal office of the Association is located at least seventy-two hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such Governors. Such notice shall also be posted in the manner prescribed for notice of regular meetings not less than seventy-two hours prior to the scheduled time of the meeting.

Section 9. NOTICE OF ADJOURNMENT. Notice of adjournment of any Governors' meeting, either regular of special, need not to be given to absent Governors, if the time and place are fixed at the meeting adjourned.

Section 10. ENTRY OF NOTICE. Whenever any Governor has been absent from any special meeting of the Board of Governors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such Governor, as required by law and the By-Laws of the Association.

Section 11. WAIVER OF NOTICE. The transaction of any meeting of the Board of Governors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Governors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the Association records or made part of the minutes of the meeting.

Section 12. QUORUM. A majority of the Governors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Governors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Governors.

Section 13. FEES AND COMPENSATION. Governors shall not receive any stated salary for their services as Governors, however, the Board of Governors may reimburse any member of the Association for expenses incurred in the conduct of Association business. Nothing herein contained shall be construed as to preclude any Governor from serving the Association in any capacity as an officer, agent, employee or otherwise, and receiving compensation therefore. Any Governor receiving any special compensation shall be excluded from deliberations by the Board relative to the fixing of such compensation.

ARTICLE VII

Section 1. OFFICERS. The officers of the Association shall be a president, a vice-president, a secretary and a treasurer. The Association may also have, at the discretion of the Board of Governors, one or more assistant secretaries, one or more assistant treasures, an Architectural Control Committee and such other officers and/or committees as may be appointed in accordance with the provisions of Section 3 of this Article. Officers other than the president need not be Governors. One person may hold two or more offices, except those of president and treasurer.

Section 2. ELECTION. The officers of the Association except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of the Article VII shall be chosen annually by the Board of Governors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ECT. The Board of Governors may appoint such other officers as the business of the Association may require each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Governors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the Governors at the time in office, at any regular or special meeting of the Board, or except incase of an officer chosen by the Board of Governors, by any officer upon whom such power of removal may be conferred by the Board of Governors.

Any officer may resign at any given time by giving written notice to the Board of Governors or the president, or to the secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified resignation shall not be necessary to make it effective.

Section 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

Section 6. PRESIDENT. The president shall be the chief executive officer of the Association and shall, subject to the control of the Board of Governors, have supervision, direction and control of the business and officers of the Association. He shall preside at all

meetings of the members and at all meetings of the Board of Governors. He shall be an ex-officio member of all standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of president of an Association, and shall have such power and duties as may be prescribed by the Board of Governors or by the By-Laws.

Section 7. VICE-PRESIDENT. In the absence or disability of the president, the vice-president shall perform all the duties of the president, and when so acting shall have all powers of, and be subject to all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribes for him by the Board of Governors or by the By-Laws.

Section 8. SECRETARY. The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Governors may order, of all meetings of Governors and members, with the time and place of holding; whether regular or special, and if special how authorized, the notice thereof given the names of those present at the Governors' meetings, the number of members present or represented at members' meetings and the proceedings thereof.

The secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Governors required by the By-Laws or by law to be given, and he shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Governors or the By-Laws.

Section 9. TREASURER. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct amounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all times be open to inspection by any Governor. The treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Governors. He shall disburse the funds of the Association as may be ordered by the Board of Governors and shall render to the president and Governors, however they request it, an account of all of his transactions as treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Governors or the By-Laws.

Section 10. ARCHITECTURAL COMMITTEE. The Architectural Control Committee shall be responsible for the control and/or selection of landscaping and structural architecture and design for all common elements of the project. Such controls shall extend to any façade, structure, surface, treatment or fixtures which is visible form the common area of the project or any surrounding property whether public or private. In the event of any construction, redecoration, remodeling or rehabilitation of the project, this committee shall be responsible for design, color and materials selection. The committee shall serve at the pleasure of the Board of Governors and shall assume any other design or architectural projects so delegated to them. Any determination, decision or recommendation by this

Committee shall be approved by a majority of the Board of Governors unless the Board agrees to delegate full authority to the committee to act in its behalf in either general or specific instances. Any delegation of authority whether general or specific must be reviewed and restated in an annual basis; otherwise, such delegation shall be null and void after one year and shall vest again with the Board of Governors.

ARTICLE VIII

Miscellaneous

Section 1. CHECKS, DRAFTS, ECT. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Governors.

Section 2. CONTRACTS, ECT. HOW EXECUTED. The Board of Governors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, 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; and unless so authorized by the Board of Governors, no officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 3. INSPECTION OF BOOKS, DOCUMENTS AND RECORDS.

1. The membership register; books of account; minutes of meetings of the Association, of the Board of Governors and of committees of the Board of Governors of the Association; and the original or a copy of the By-Laws and the Covenants, Conditions and Restrictions as amended or otherwise altered to date, certified by the secretary, shall be made available for inspection and copying by any member of the Association – or by his duly appointed representative – at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the subdivision as the Board of Governors shall prescribe

2. The Board of Governors shall establish reasonable rules with respect to:

(a) Notice to be given to the Secretary by the member desiring to make the inspection

(b) Hours and days of the week when such an inspection may be made.

(c) Payment of the cost of reproducing copies of documents requested by a member.

3. Every Governor 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 Governor includes the right to make extracts and copies of documents.

Section 4. FISCAL YEAR. The fiscal year of the Association shall be determined by the Board of Governors and having been so determined is subject to change from time to time as the Board of Governors shall determine.

Section 5. ANNUAL AUDIT. The Board of Governors shall cause an independent audit of the financial affairs of this Association to be made at least every twelve months. Said audit to reflect the financial condition of this Association as of the date of said audit and to summarize the financial transactions in which this Association was involved ruing the period between the last of such audits and the date of the current audit. A copy of said audit will mailed to each of the members of this Association within sixty (60) days after the end of the fiscal year.

Section 6. PRIORITY OF DOCUMENTS. In the event there is any conflict between any provision of these By-Laws, or amendments thereto, and the Declaration of Restrictions, or amendments thereto, the language contained within the Declaration of Restrictions, or amendments thereto, shall control.

ARTICLE IX

Notwithstanding anything to the contrary, whether expressed elsewhere in these By-Laws or in these By-Laws or in the Declaration of Restrictions affecting the Real Property, a majority of the voting power of the members shall be required in any of the following instances:

(1) Assessments for capital improvements in excess of $2,000.00, excluding declarant's vote.

(2) Assessments to make up any deficiency in insurance proceeds.

(3) Any election or decision not to rebuild all or part of a condominium damdged or destroyed by fire or other cause.

(4) Any mortgaging, encumbering, sales or disposition of real or personal property in any fiscal year of the Association having an aggregate value in excess of 5% of the total annual budget of the Association, excluding declarant's vote.

(5) Incurring aggregate expenditures for capital improvements to the common area in excess of 5% of the total annual budget in any fiscal year, excluding declarant's vote.

(6) Impose a regular annual assessment per subdivision interest which is more than 20% greater than the regular assessments for the immediately preceeding fiscal year, excluding declarant's vote.

ARTICLE X

Amendment to By-Laws

These By-Laws may be amended by the members in a duly constituted meeting for such purpose and no amendment shall take affect unless approved by the vote or written consent of members representing not less than 51% of a quorum of members other than the declarant and not less than 51% of the voting power of the Association residing in members other than the declarant, provided, however, that the percentage of the voting power

necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause regardless of the percentage stated in this general provision respecting amendments.