

11/19/08 TL

From: charlotte chonko <char@dmwlawmt.com>

To: managementassoc@aol.com; dlanphear@farmersagent.com

Subject: Heritage Condominiums

Date: Wed, 19 Nov 2008 2:47 pm

Attachments: Amended_&_Restated_Bylaws_(combined).pdf (674K)

Rich and Doug:

Attached are the Amended and Restated Bylaws showing proposed deletions in brackets and proposed additions in {} and underlined. Please coordinate the emailing or mailing of this document to your Board prior to Saturday's meeting.

Please let me know if there are any more changes, etc.

Best regards,

Charlotte S. Chonko

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AMENDED AND RESTATED BYLAWS
OF
HERITAGE CONDOMINIUMS

ARTICLE I.

APPLICATION

Section 1. The provisions of these Amended and Restated By-laws ("By-Laws") are applicable to a condominium located at South Fifteenth Street, Bozeman, Montana, known as "Heritage Condominiums"

Section 2. All [present or future] owners, tenants, employees, or any other person who might use the facilities of "Heritage Condominiums" in any manner, are subject to the regulations set forth in these By-Laws. The acquisition or rental of any of the family units (hereinafter referred to as "units") of the project or the occupancy of any said units will signify that these Bylaws are accepted, ratified, and will be complied with.

{Section 3. All new owners of a unit in Heritage Condominiums shall meet with a Board Member or a Manager employed by the Board of Directors within ten (10) business days of the closing of their purchase on their unit to confirm receipt of a copy of the Administrative Rules adopted by the Board, Bylaws and the Declaration of Condominium Ownership and to discuss any questions the new owner may have. The new owner shall not be able to cast their vote until such a meeting has occurred. The new owner is responsible to inform any tenant of these documents and the requirement for them to abide by these rules.}

ARTICLE II.

VOTING

Section 1. The owner of each unit in the building shall by virtue of ownership be a member of Heritage Condominiums Association (hereinafter called the "Association"). However, if ownership of any unit is vested in more than one person, while each such owner shall be a member, the several co-owners shall be entitled to vote only in accordance with the provisions of these By-Laws on voting.

Section 2. [Each owner shall be entitled to a vote which shall be based upon the percentile interest which each owner shall have in the common elements according to the unit which he owns, provided that the vote for any unit owned by more than one person shall be exercised as such co-owners may, among themselves, determine, but in no event shall more than one vote be cast with respect to any unit.] {Each unit owner shall be entitled to one (1) vote for each unit owned for votes on non-fiscal matters, hereinafter called "unit vote". For votes on fiscal matters, each unit owner shall be entitled to a vote which shall be based upon the percentile interest which each unit owner has in the common elements according to the Declaration of Condominium Ownerships, hereinafter called the "interest vote". The vote for any unit owned by more than one person shall be exercised as such co-owners may, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such unit.}

Section 3. As used in these By-Laws, the term "majority of owners" shall mean the owners holding more than half of the votes assigned as herein provided.

Section 4. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of owners" shall constitute a quorum. If, however, such quorum shall not be present or represented 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 an announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. At all meetings of owners, each owner may vote in person or by proxy. All proxies shall be [in writing] {signed, dated,} and filed with the Secretary {and shall designate an individual to vote for the unit owner. If no individual is designated, the Board of Directors shall have voting authority}. Every proxy shall be revocable and shall automatically cease upon conveyance of the owner's unit.

ARTICLE III.

ASSOCIATION

Section 1. The Association will have the responsibility of administering the operation of Heritage Condominiums, approving the annual budget, establishing and collecting assessments and arranging for the management of the project pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require {a majority vote of the members}.

Section 2. The annual meeting of the Association shall be {initially held} [at a] {on the 2nd Wednesday in October of each year (unless otherwise rescheduled by the Board) and } place [to be] designated by the Board in Bozeman, MT.

Section 3. Special meetings may be called at any time by order of the Board of Directors or by any six (6) members.

Section 4. Written notice of any annual or special meeting of the Association shall be mailed to each owner at his/{her} last known address as reflected by the Association's records not less than [ten - 10] {fifteen - 15} days prior to the date of the meeting. Such notice shall specify the time, place and purpose of the meeting. At annual meetings, there shall be elected, by ballot of the owners, a Board of Directors, and such other business of the Association may be transacted at a special meeting [except as stated in the notice unless by consent of]. {Additional agenda items not stated in the notice may be addressed, provided} a majority of owners {are} present, either in person or by proxy.

Section 5. The order of business at all meetings of the Association shall be as follows:

- (a) Proof of notice of meeting or waiver of notice
- (b) Determination of Quorum
- (c) Reading of minutes of preceding meeting
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Directors
- (g) Unfinished Business
- (h) New Business

{Section 6. The principle office of the Association shall be the management agent's office if there is one, or the current Chairperson of the Board of Director's home.}

ARTICLE IV.

BOARD OF DIRECTORS AND DUTIES

Section 1. [Board of Directors] The affairs of the Association shall be governed by a Board of Directors, hereinafter call the "Board", composed of [five (5) persons, all of whom must be owners of units in the project, who shall be elected by the owners] {not more than five (5) nor less than three (3) owners. Board Members shall be elected by a majority vote of the owners}.

Section 2. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may [do] {perform} all acts {including, without limitation, creating policy and reasonable fines and penalties to enforce such policy}. The directors shall serve without compensation.

Section 3. In addition to duties imposed by these By-Laws or by resolutions of the Association, the Board shall be responsible for {carrying out or obtaining} the following:

- (a) Care, upkeep and surveillance of the project and the common areas and facilities.

- (b) {Formulation and administration of a detailed annual budget.}
- (c) Collection of {annual or special} assessments from owners.
- (d) Designation and dismissal of the manager and personnel necessary for the maintenance and operation of the project, common areas and facilities.
- (e) Approving vouchers for payment of all legal claims against the Association.

Section 4. The Board may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including but not limited to, the duties listed in Section 3, above.

Section 5. Election and Terms of Office.

The term of all Directors [elected after January 1, 1987,] shall be for two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. Any director may be removed by a vote of a majority of votes entitled to be cast at any regular or special meeting of the Association called for that purpose. In the event of such removal, a successor may then and there be elected to fill the vacancy thus created for the unexpired term.

Section 7. Vacancies in the Board caused by any reason other than the removal of a director by a vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so selected shall serve until the next annual meeting of the Association, at which time the members shall elect a successor to fill out the balance of the unexpired term.

Section 8. The first meeting of a newly elected Board shall be held immediately following the annual meeting of the Association, and no notice shall be necessary to the newly elected directors in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

Section 9. Regular meetings of the Board 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 [two (2)] {six (6)} such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director, personally, or by mail, telephone or [telegraph] {e-mail}, at least three (3) days prior to the day named for such meeting.

Section 10. Special meetings of the Board may be called by the Chairman on three (3) days notice to each director. Said notice shall be given either personally, by mail, telephone or [telegraph] {e-mail}, and which notice shall state the time, place and purpose of the meeting. Special meetings of the Board [shall] {may} be called by the Secretary in a like manner. Notice, as set out above, on the written request of at least three (3) directors, or by proxy, shall also constitute the call of a meeting. All Directors' meetings shall be held within Gallatin County, Montana.

Section 11. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board, [no notice shall be required and any business may be transacted at such meeting] {effectively waives a lack of claim by such director}.

Section 12. A quorum of the Board for the transaction of business at any meeting shall be a majority of the directors. If, however, a quorum shall not be present [or represented at any meeting], the directors present shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. The Board may require that officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds, {with the} premiums on such bonds to be paid by the Association.

Section 14. The Board shall have the right to buy errors and omissions insurance to protect themselves against malpractice. The premiums for such malpractice insurance shall be borne by the Association.

ARTICLE V

BOARD OFFICERS AND DUTIES

Section 1. The Board, at its annual meeting, shall elect a Chairman, Vice-Chairman, Secretary, Treasurer and such assistants, as the Board deems necessary. Any two (2) or more offices may be held by the same person, except the offices of Chairman and Secretary. {All officers must be owners, with the exception of the Treasurer.}

Section 2. The officers of the Association shall hold office at the pleasure of the Board, and in the event of a vacancy for any reason, the Board shall elect a successor at any regular meeting or at any special meeting called for such a purpose.

Section 3. The Chairman shall preside at all meetings of the Association and the Board. He/She shall have general supervision over the affairs of the Association and its officers and all of the powers and duties usually vested in the office of President or Chairman of an Association. [including, but not limited to, the power to] {The Chairman may} appoint committees from [among the owners] from time to time as he may [in his discretion] decide is appropriate to assist in the conduct of the affairs of the Association, {subject to the approval of the Board}.

Section 4. The Vice-Chairman shall act for the Chairman in the event of the absence [or disability] of the latter, and shall also perform such other duties as from time to time may be imposed upon him/her by the Board.

Section 5. The Secretary shall keep all books and records of the Association and the Board and record all minutes of meetings of both. {Copies of all minutes shall be available to all owners, upon request, by hand delivery, mail or e-mail.}

Section 6. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for {overseeing} [keeping of] full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/She shall be responsible for {overseeing} the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE VI.

ASSESSMENTS

Section 1. Assessment against the unit owners shall be [made] {recommended and/} or approved by Directors of the Association [and by] {as set forth below}. The unit owners {shall pay} the Association in accordance with the following provisions:

(a) {Annual assessments up to 10 % more than the previous year assessment may be made and approved by the Board. Assessments more than 10% of the previous years assessment requires the approval of the Association.} [If an annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.]

(b) Each unit owner shall be liable for his share of the common expenses, and any common surplus shall be [owned by] {divided and distributed to} each unit owner [in a like share] {equal amounts, provided said unit owner is current on their assessments.}

(c) Any assessment, the authority to levy which is granted to the Association or its Board by the Condominium Declaration, shall be paid by the unit owners to the Association in the proportions set forth in the provision of the Declaration authorizing the assessment.

(d) Other assessments shall be made in accordance with the provisions of {these By-Laws and} the Condominium Declaration, to be paid at the time determined by the Board. Assessments for common expenses or emergencies, which cannot be paid from the common expense account [shall] {may} be made [only] by the Board.

(e) All sums collected by the Association from assessments may be co-mingled in a single fund, but they shall be held for the unit owners in their respective shares in which they are paid and shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made.

Such accounts shall be as follows:

(i) Common expense accounts - to which shall be credited collections for assessments for all common expenses including liability and hazard insurance premiums as well as payments received for defraying costs of the use of common elements {for:}

[(ii)] Alterations and improvements [account to which shall be credited all sums collected for alterations and improvement assessments; and]

[(iii)] Maintenance and repairs [account to which shall be credited all sums collected for maintenance and repair assessments; and]

(ii) Contingencies and emergency account [to which shall be credited all sums collected for contingencies and emergencies;]

(iii) A capital account for reconstruction, replacement or remodeling [to which shall be credited collections for capital construction.]

(f) All owners shall be obligated to pay assessments as imposed by the Association to meet all common expenses, including {without limitation}, income taxes, liability and hazard insurance premiums. Assessments for common expenses shall be [made for the calendar year annually in advance on or before October 20th of the year preceding for which the assessments are made and on such other and] {calculated at such} additional times [as in the judgment of the Board additional common expenses assessments are required] {as is deemed necessary} for the proper management, maintenance and operation of the common elements. Such annual assessments shall be due and payable [commencing] January 1st of the year for which the assessments are made. The total of the assessment shall be in the amount of the estimated common expenses for the year including a reasonable allowance for contingencies and reserves; less the amount of unneeded common expense account balances.

(g) The Secretary and Treasurer shall {maintain records reflecting} [showing] assessments made against unit owners [which] {and such records} shall be available for inspection at all reasonable times by unit owners or their representatives. Such records shall show the amounts of all assessments paid and unpaid. The Treasurer may issue certificates as to the status of a unit owners assessment issued to such persons as the unit owner may request in writing, and such certificates shall limit the liability of any person to whom it is addressed other than the unit owner.

(h) Unit owners and their grantees shall be jointly and severally liable for all unpaid assessments due and payable for a specific [family] unit at the time of a conveyance. [but without prejudice to the rights of] The grantee [to] {may} recover from the grantor the amounts paid by the grantee thereof. Unpaid portions of assessments which are due [shall] {may} be secured by a lien upon the [family] unit [as provided in the Declaration upon the filing of a claim in accordance with the provisions of Section 67-2326, R.C.M. 1947, as amended] {pursuant to Montana law}.

(i) Assessments and installments [thereof] paid more than ten (10) days after the date when due, shall bear interest at the rate of 10% per annum from the date when due until paid. All payments upon assessments shall be applied first to interest and then to the earliest assessment due. Interest shall be credited to the common expense account.

ARTICLE VII

BANK ACCOUNTS

{Section 1. Funds of the Association shall be deposited:

(a) Into a trust account, monitored by the State of Montana, and administered by a licensed and bonded property manager who may personally disburse funds against properly submitted invoices, or

(b) Into an Association bank account which requires 2 signatures to disburse funds against properly submitted invoices. Signatures shall be established by the Board and includes the officers of the Board and the property manager.

ARTICLE VIII

MAINTENANCE AND REPAIRS

Section 1.

- (a) Every owner must promptly perform all maintenance and repair work within his/her own unit, which if omitted would affect the project in it's entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities [that his] {of said} failure [to do so may engender].
- (b) All the repairs of internal installation of the unit such as water, light, gas, power, sewerage, telephones, air conditioners, sanitary installations, doors, windows, lamps and all other accessories and appliances belonging to the unit area shall be at the owners' expense.
- (c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault.

Section 2. An owner shall not make any structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing, through the management agent, if any, or through the Chairman of the Board if no management agent is employed. [The Association shall have the obligation to answer within ten (10) business days thereafter, and failure to do so within the stipulated time shall mean there is no objection to the proposed modification or alteration.]

Section 3. An owner will grant the right of entry to the management agent or any other person authorized by the Board of Directors of the Association in {the} case of any emergency originating in or threatening his/her unit, whether the owner is present at the time or not.

Section 4. An owner shall permit other owners, or their representatives, when so required, to enter his/her unit for the purpose of performing installations, alterations or repairs to the plumbing, mechanical or electrical services, provided request for entry is made {at least 24 hours} in advance and that such entry is at a time convenient to the owner. In the case of an emergency, such right of entry shall be immediate.

ARTICLE IX

RULES AND REGULATIONS

Section 1.

- (a) No resident of the building shall post any advertisements or posters of any kind in or on the project except as authorized by the Board.
- (b) Residents shall not create [noises] {a nuisance} by the use of musical instruments, radios, televisions, amplifiers or any other objects or by any action done by the person(s) that disturbs other residents.

- (c) Hanging garments, rugs, etc. from the windows, porches, facades or any other common area is prohibited.
- (d) Dusting rugs, etc. from the windows or cleaning rugs by beating on the exterior part of the project is prohibited.
- (e) Disposal of garbage or trash outside the disposal installations provided for such purposes in the service area is prohibited.
- (f) {Trash or garbage shall not be allowed to be stored or kept on patios, porches, or decks for any amount of time.}
- (g) No owner, resident or lessee shall install wiring for electrical or telephone installation, television antennas, machines or air conditioning units, signs, awnings, canopies or other objects on the outside walls of a building or the roof without the prior consent of the Board.
- (h) No baby carriages, tricycles, bicycles, toys or other objects shall be allowed to stand in the [halls, passageways or] {common areas, sidewalks, streets, or fire lanes} of the project.
- (i) No objects shall be stored or kept on the decks {patios or porches} of any unit for more than 72 hours, except deck furniture, barbecues, flower planters and firewood. {Garden and hand tools and toys may be stored on decks, but only in an enclosed container no larger than 12 cubic feet.}
- (j) Owners shall immediately pick-up and remove all excrement dropped by their pets. Dogs shall be kept on a leash or under voice control of an owner when the dog is outside. Dogs shall not be tied to any portion of a building and {or} left unsupervised. Excessive barking is a violation of unit owners' right to peaceful enjoyment of their unit and is therefore prohibited.
- (k) No part of the property shall be used for other than residential purposes. Each [family] unit shall be used as a residence for a single family, as described below, and for no other purpose, except that a[n owner] {resident} may use a portion of his {/her} unit for an office or studio provided that the activities there shall not interfere with the quiet enjoyment or comfort of any other owner or occupant and provided further that in no event shall any part of the property be used as a school or music studio.

A single family shall be defined as including only the following relationships:

- A) Husband and wife
- B) Husband and wife and child(ren)
- C) Single person
- D) Single parent and child(ren)
- E) Brothers of the same family
- F) Sisters of the same family
- G) Brother and sister
- H) Grandparent(s) - Child(ren) - Grandchild(ren)

There shall be allowed in addition to the single family as defined above, to reside in a unit, one (1) unrelated person to the [owner] {single family}. [However, there shall not be allowed any more than two (2) unrelated persons living in a unit, including the owner.] If there is more than one owner of the unit, there still shall be allowed only two (2) unrelated persons living in [said] {each} unit. {Children shall include natural born, adopted, or stepchildren.}

- {(l) Unit owners must notify the Association or management agent of current tenant's names and provide same with a copy of the current rental agreement.}

- (m) There shall be no obstructions of the common elements nor shall anything be stored in or on the common elements without prior consent of the Board. Each owner shall be obligated to maintain and keep in good order and repair his/her own [family] unit. No campers, {trailers}, boats, {motorcycles}, snowmobiles or other kinds of recreational equipment may be stored within the common elements unless kept within the garage [or carport] designated for use of a [family] unit, and only then if the owner of that family unit requires the use of only one (1) additional parking space.
- (n) Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance of the building or contents thereof applicable for residential use without the prior written consent of the Board. No owner shall permit anything to be done or kept in his/her unit or in the common elements which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law. [No waste will be permitted in the common elements.]
- (o) No rabbits, livestock, fowl, poultry or other animals of any kind shall be raised, bred or kept in any unit, except dogs, cats or other {common} household pets, subject to the rules and regulations adopted by the Board, provided that they are not kept, bred, or maintained for any commercial purposes.
- (p) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which interferes with the peaceful possession and proper use of the property by its residents. No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- (q) Nothing shall be done in any [family] unit or in, on, or to the common elements which will impair the structural integrity of the building or which would structurally change the building except as is otherwise provided herein.
- (r) No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise shall be conducted, maintained or permitted on any part of the property; nor shall any "For sale" or "for rent" signs or other window displays or advertising be maintained or permitted on any part of the property or in any unit therein; except that grantors and their agents reserve the right to place "for sale" or "for rent" signs on any unsold or unoccupied units, and the right is hereby given to any mortgagee or trust indenture beneficiary who may become the owner of any unit, to place such sign on any family unit owned by such mortgagee or beneficiary.
- (s) Nothing shall be planted {except flowers or garden plants adjacent to an owner's unit}, altered or constructed in or removed from the common elements, except upon the written consent of the Board.

Section 2. Additional Administrative Rules and Regulations {along with reasonable fines and penalties associated with such Rules and Regulations} relating to the details of the administration and operation of Heritage Condominiums and the use of the common elements may be adopted or amended by the Board at any regular meeting or at any special meeting called for that purpose.

{Section 3. Decisions made by a previous Board may be amended or rescinded by a current Board at any regular meeting or special meeting called for that purpose.}

ARTICLE X

AMENDMENTS

Section 1. These By-Laws may be amended by the Association at a duly constituted meeting or by written ballot for such purposes and no amendment shall take effect unless approved by at least three-fourths (3/4) [of the interests] of the owners, and until a copy of the By-Laws, as amended, certified by the presiding officer and Secretary of the Association is recorded in the office of the Clerk and Recorder of Gallatin County, Montana.

ARTICLE XI

MORTGAGEES

Section 1. Any owner who mortgages his/her unit shall notify the Association through the management agent [if any,] or the Chairman of the Association in the event there is no manager, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled Journal. The Homeowner's Association [shall] {may} give the mortgagee notice in writing of any loss to the common elements which exceeds the sum of \$10,000.00, or damages to any condominium unit which exceeds the sum of \$1,000.00.

Section 2. Any first lien holder or mortgagee shall have the right to have a representative attend any regular or special meeting of the Association.

ARTICLE XII

DUE PROCESS BY HOMEOWNERS' ASSOCIATION

Section 1. In the event that an action is taken by the Homeowners' Association or Board against any individual unit owner to enforce an assessment, or any part of the By-Laws or Declaration, or any rule or regulation properly adopted by the Homeowners' Association, said homeowner shall be afforded the protection of due process which includes, but is not limited to the following:

(a) Adequate notice in writing of any default with a contingent right to cure the default {within thirty (30) days.}

[(d)] {b} An opportunity to receive a formal hearing before an impartial form or tribunal.

[(e)] {c} To findings of fact by the formal tribunal in accordance with the evidence presented.

[(f)] {d} A penalty proportionate to the offense such as suspension of voting rights and recreation use rights or a reasonable fine imposed by the Board.

{(c) If the unit owner believes that a violation is not occurring, the unit owner shall contact the Board in writing within the thirty (30) days and request a hearing. A hearing shall be promptly scheduled before the Board and the unit owner shall have the opportunity to present witnesses and such other evidence the unit owner deems necessary. The Management Agent may also present witnesses and such other evidence, as it deems necessary. The Chairperson of the Board shall have the right to limit the receipt of evidence that is repetitive or not relevant to the matter being heard. The unit owner and the Board shall have the right to cross-examine witnesses who appear at the hearing. At the conclusion of the hearing, the Board shall determine if a violation is occurring or not. It is determined that a violation is in fact occurring, the Board shall send written notice to the unit owner, by certified mail, return receipt requested, notifying that the unit owner has thirty (30) days to correct the violation.}

{(f) If a unit owner disagrees with the determination of the Board following a hearing, the unit owner shall have the right to file an appeal to an arbitration panel. The Notice of Appeal to Arbitration Panel shall be placed in the mail within fifteen (15) days from the date of receipt of the notice of the Boards hearing decision. The appeal process shall be commenced by the unit owner delivering a written Notice of Appeal to Arbitration Panel, to the Board by registered mail, return receipt requested.}

The arbitration panel shall consist of three members and shall be selected as follows:

(i) Each party shall select a member to serve on the arbitration panel and shall notify the other party in writing of the person so selected. This notification shall occur no later than fifteen (15) days following the receipt of the Notice of Appeal to Arbitration Panel.

(ii) Within ten (10) business days of their selection, the two arbitration panel members selected by the parties shall select a third member of the panel by mutual agreement. This jointly selected member shall serve as chairperson of the arbitration panel. Any question of procedure shall be determined in accordance with the rules of the American Arbitration Association.

The Arbitration Panel so selected shall by majority decision make a binding determination of the dispute before them. The Board and an appealing unit owner shall abide by any decision made by the panel and that said decision shall be binding upon them and not subject to judicial appeal or review, in the absence of fraud. The parties may file a decision of the arbitration panel in a court of law for the limited purpose of enforcing an arbitration panel decision.

The Board and the appealing unit owner shall equally share any and all costs of the arbitration process. Said costs shall be paid within five (5) business days of being invoiced for a cost. Each party shall bear their own attorney fees.

We, the [President] {Chairman} and Secretary of Heritage Condominium Homeowners' Association, certify that these Bylaws are Bylaws which were amended and approved at a meeting of the Association on the _____ day of _____, 2008 and a subsequent mail vote.

Chairperson

Secretary

AMENDED AND RESTATED BYLAWS
OF
HERITAGE CONDOMINIUMS

ARTICLE I.

APPLICATION

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VOTING

Section 1. The owner of each unit in the building shall by virtue of ownership be a member of Heritage Condominiums Association (hereinafter called the "Association"). However, if ownership of any unit is vested in more than one person, while each such owner shall be a member, the several co-owners shall be entitled to vote only in accordance with the provisions of these By-Laws on voting.

Section 2. [Each owner shall be entitled to a vote which shall be based upon the percentile interest which each owner shall have in the common elements according to the unit which he owns, provided that the vote for any unit owned by more than one person shall be exercised as such co-owners may, among themselves, determine, but in no event shall more than one vote be cast with respect to any unit.] {Each unit owner shall be entitled to one (1) vote for each unit owned for votes on non-fiscal matters, hereinafter called "unit vote". For votes on fiscal matters, each unit owner shall be entitled to a vote which shall be based upon the percentile interest which each unit owner has in the common elements according to the Declaration of Condominium Ownerships, hereinafter called the "interest vote". The vote for any unit owned by more than one person shall be exercised as such co-owners may, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such unit.}

Section 3. As used in these By-Laws, the term "majority of owners" shall mean the owners holding more than half of the votes assigned as herein provided.

Section 4. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of owners" shall constitute a quorum. If, however, such quorum shall not be present or represented 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 an announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. At all meetings of owners, each owner may vote in person or by proxy. All proxies shall be [in writing] {signed, dated,} and filed with the Secretary {and shall designate an individual to vote for the unit owner. If no individual is designated, the Board of Directors shall have voting authority}. Every proxy shall be revocable and shall automatically cease upon conveyance of the owner's unit.

ARTICLE III.

ASSOCIATION

Section 1. The Association will have the responsibility of administering the operation of Heritage Condominiums, approving the annual budget, establishing and collecting assessments and arranging for the management of the project pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require {a majority vote of the members}.

Section 2. The annual meeting of the Association shall be {initially held} [at a] {on the 2nd Wednesday in October of each year (unless otherwise rescheduled by the Board) and } place [to be] designated by the Board in Bozeman, MT.

Section 3. Special meetings may be called at any time by order of the Board of Directors or by any six (6) members.

Section 4. Written notice of any annual or special meeting of the Association shall be mailed to each owner at his/{her} last known address as reflected by the Association's records not less than {ten - 10} {fifteen - 15} days prior to the date of the meeting. Such notice shall specify the time, place and purpose of the meeting. At annual meetings, there shall be elected, by ballot of the owners, a Board of Directors, and such other business of the Association may be transacted at a special meeting [except as stated in the notice unless by consent of]. {Additional agenda items not stated in the notice may be addressed, provided} a majority of owners {are} present, either in person or by proxy.

Section 5. The order of business at all meetings of the Association shall be as follows:

- (a) Proof of notice of meeting or waiver of notice
- (b) Determination of Quorum
- (c) Reading of minutes of preceding meeting
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Directors
- (g) Unfinished Business
- (h) New Business

{Section 6. The principle office of the Association shall be the management agent's office if there is one, or the current Chairperson of the Board of Director's home.}

ARTICLE IV.

BOARD OF DIRECTORS AND DUTIES

Section 1. [Board of Directors] The affairs of the Association shall be governed by a Board of Directors, hereinafter call the "Board", composed of [five (5) persons, all of whom must be owners of units in the project, who shall be elected by the owners] {not more than five (5) nor less than three (3) owners. Board Members shall be elected by a majority vote of the owners}.

Section 2. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may [do] {perform} all acts {including, without limitation, creating policy and reasonable fines and penalties to enforce such policy}. The directors shall serve without compensation.

Section 3. In addition to duties imposed by these By-Laws or by resolutions of the Association, the Board shall be responsible for {carrying out or obtaining} the following:

- (a) Care, upkeep and surveillance of the project and the common areas and facilities.

- (b) {Formulation and administration of a detailed annual budget.}
- (c) Collection of {annual or special} assessments from owners.
- (d) Designation and dismissal of the manager and personnel necessary for the maintenance and operation of the project, common areas and facilities.
- (e) Approving vouchers for payment of all legal claims against the Association.

Section 4. The Board may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including but not limited to, the duties listed in Section 3, above.

Section 5. Election and Terms of Office.
The term of all Directors [elected after January 1, 1987,] shall be for two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. Any director may be removed by a vote of a majority of votes entitled to be cast at any regular or special meeting of the Association called for that purpose. In the event of such removal, a successor may then and there be elected to fill the vacancy thus created for the unexpired term.

Section 7. Vacancies in the Board caused by any reason other than the removal of a director by a vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so selected shall serve until the next annual meeting of the Association, at which time the members shall elect a successor to fill out the balance of the unexpired term.

Section 8. The first meeting of a newly elected Board shall be held immediately following the annual meeting of the Association, and no notice shall be necessary to the newly elected directors in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

Section 9. Regular meetings of the Board 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 [two (2)] {six (6)} such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director, personally, or by mail, telephone or [telegraph] {e-mail}, at least three (3) days prior to the day named for such meeting.

Section 10. Special meetings of the Board may be called by the Chairman on three (3) days notice to each director. Said notice shall be given either personally, by mail, telephone or [telegraph] {e-mail}, and which notice shall state the time, place and purpose of the meeting. Special meetings of the Board [shall] {may} be called by the Secretary in a like manner. Notice, as set out above, on the written request of at least three (3) directors, or by proxy, shall also constitute the call of a meeting. All Directors' meetings shall be held within Gallatin County, Montana.

Section 11. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board, [no notice shall be required and any business may be transacted at such meeting] {effectively waives a lack of claim by such director}.

Section 12. A quorum of the Board for the transaction of business at any meeting shall be a majority of the directors. If, however, a quorum shall not be present [or represented at any meeting], the directors present shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. The Board may require that officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds, {with the} premiums on such bonds to be paid by the Association.

Section 14. The Board shall have the right to buy errors and omissions insurance to protect themselves against malpractice. The premiums for such malpractice insurance shall be borne by the Association.

ARTICLE V

BOARD OFFICERS AND DUTIES

Section 1. The Board, at its annual meeting, shall elect a Chairman, Vice-Chairman, Secretary, Treasurer and such assistants, as the Board deems necessary. Any two (2) or more offices may be held by the same person, except the offices of Chairman and Secretary. {All officers must be owners, with the exception of the Treasurer.}

Section 2. The officers of the Association shall hold office at the pleasure of the Board, and in the event of a vacancy for any reason, the Board shall elect a successor at any regular meeting or at any special meeting called for such a purpose.

Section 3. The Chairman shall preside at all meetings of the Association and the Board. He/She shall have general supervision over the affairs of the Association and its officers and all of the powers and duties usually vested in the office of President or Chairman of an Association. [including, but not limited to, the power to] {The Chairman may} appoint committees from [among the owners] from time to time as he may [in his discretion] decide is appropriate to assist in the conduct of the affairs of the Association, {subject to the approval of the Board}.

Section 4. The Vice-Chairman shall act for the Chairman in the event of the absence [or disability] of the latter, and shall also perform such other duties as from time to time may be imposed upon him/her by the Board.

Section 5. The Secretary shall keep all books and records of the Association and the Board and record all minutes of meetings of both. {Copies of all minutes shall be available to all owners, upon request, by hand delivery, mail or e-mail.}

Section 6. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for {overseeing} [keeping of] full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/She shall be responsible for {overseeing} the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE VI.

ASSESSMENTS

Section 1. Assessment against the unit owners shall be [made] {recommended and/} or approved by Directors of the Association [and by] {as set forth below}. The unit owners {shall pay} the Association in accordance with the following provisions:

(a) {Annual assessments up to 10 % more than the previous year assessment may be made and approved by the Board. Assessments more than 10% of the previous years assessment requires the approval of the Association.} [If an annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.]

(b) Each unit owner shall be liable for his share of the common expenses, and any common surplus shall be [owned by] {divided and distributed to} each unit owner [in a like share] {equal amounts, provided said unit owner is current on their assessments.}

(c) Any assessment, the authority to levy which is granted to the Association or its Board by the Condominium Declaration, shall be paid by the unit owners to the Association in the proportions set forth in the provision of the Declaration authorizing the assessment.

(d) Other assessments shall be made in accordance with the provisions of {these By-Laws and} the Condominium Declaration, to be paid at the time determined by the Board. Assessments for common expenses or emergencies, which cannot be paid from the common expense account [shall] {may} be made [only] by the Board.

(e) All sums collected by the Association from assessments may be co-mingled in a single fund, but they shall be held for the unit owners in their respective shares in which they are paid and shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made.

Such accounts shall be as follows:

(i) Common expense accounts - to which shall be credited collections for assessments for all common expenses including liability and hazard insurance premiums as well as payments received for defraying costs of the use of common elements {for:}

[(ii)] Alterations and improvements [account to which shall be credited all sums collected for alterations and improvement assessments; and]

[(iii)] Maintenance and repairs [account to which shall be credited all sums collected for maintenance and repair assessments; and]

(ii) Contingencies and emergency account [to which shall be credited all sums collected for contingencies and emergencies;]

(iii) A capital account for reconstruction, replacement or remodeling [to which shall be credited collections for capital construction.]

(f) All owners shall be obligated to pay assessments as imposed by the Association to meet all common expenses, including {without limitation}, income taxes, liability and hazard insurance premiums. Assessments for common expenses shall be [made for the calendar year annually in advance on or before October 20th of the year preceding for which the assessments are made and on such other and] {calculated at such} additional times [as in the judgment of the Board additional common expenses assessments are required] {as is deemed necessary} for the proper management, maintenance and operation of the common elements. Such annual assessments shall be due and payable [commencing] January 1st of the year for which the assessments are made. The total of the assessment shall be in the amount of the estimated common expenses for the year including a reasonable allowance for contingencies and reserves; less the amount of unneeded common expense account balances.

(g) The Secretary and Treasurer shall {maintain records reflecting} [showing] assessments made against unit owners [which] {and such records} shall be available for inspection at all reasonable times by unit owners or their representatives. Such records shall show the amounts of all assessments paid and unpaid. The Treasurer may issue certificates as to the status of a unit owners assessment issued to such persons as the unit owner may request in writing, and such certificates shall limit the liability of any person to whom it is addressed other than the unit owner.

(h) Unit owners and their grantees shall be jointly and severally liable for all unpaid assessments due and payable for a specific [family] unit at the time of a conveyance. [but without prejudice to the rights of] The grantee [to] {may} recover from the grantor the amounts paid by the grantee thereof. Unpaid portions of assessments which are due [shall] {may} be secured by a lien upon the [family] unit [as provided in the Declaration upon the filing of a claim in accordance with the provisions of Section 67-2326, R.C.M. 1947, as amended] {pursuant to Montana law}.

(i) Assessments and installments [thereof] paid more than ten (10) days after the date when due, shall bear interest at the rate of 10% per annum from the date when due until paid. All payments upon assessments shall be applied first to interest and then to the earliest assessment due. Interest shall be credited to the common expense account.

ARTICLE VII

BANK ACCOUNTS

{Section 1. Funds of the Association shall be deposited:

(a) Into a trust account, monitored by the State of Montana, and administered by a licensed and bonded property manager who may personally disburse funds against properly submitted invoices, or

(b) Into an Association bank account which requires 2 signatures to disburse funds against properly submitted invoices. Signatures shall be established by the Board and includes the officers of the Board and the property manager.}

ARTICLE VIII

MAINTENANCE AND REPAIRS

Section 1.

- (a) Every owner must promptly perform all maintenance and repair work within his/her own unit, which if omitted would affect the project in it's entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities [that his] {of said} failure [to do so may engender].
- (b) All the repairs of internal installation of the unit such as water, light, gas, power, sewerage, telephones, air conditioners, sanitary installations, doors, windows, lamps and all other accessories and appliances belonging to the unit area shall be at the owners' expense.
- (c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault.

Section 2. An owner shall not make any structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing, through the management agent, if any, or through the Chairman of the Board if no management agent is employed. [The Association shall have the obligation to answer within ten (10) business days thereafter, and failure to do so within the stipulated time shall mean there is no objection to the proposed modification or alteration.]

Section 3. An owner will grant the right of entry to the management agent or any other person authorized by the Board of Directors of the Association in {the} case of any emergency originating in or threatening his/her unit, whether the owner is present at the time or not.

Section 4. An owner shall permit other owners, or their representatives, when so required, to enter his/her unit for the purpose of performing installations, alterations or repairs to the plumbing, mechanical or electrical services, provided request for entry is made {at least 24 hours} in advance and that such entry is at a time convenient to the owner. In the case of an emergency, such right of entry shall be immediate.

ARTICLE IX

RULES AND REGULATIONS

Section 1.

- (a) No resident of the building shall post any advertisements or posters of any kind in or on the project except as authorized by the Board.
- (b) Residents shall not create [noises] {a nuisance} by the use of musical instruments, radios, televisions, amplifiers or any other objects or by any action done by the person(s) that disturbs other residents.

- (c) Hanging garments, rugs, etc. from the windows, porches, facades or any other common area is prohibited.
- (d) Dusting rugs, etc. from the windows or cleaning rugs by beating on the exterior part of the project is prohibited.
- (e) Disposal of garbage or trash outside the disposal installations provided for such purposes in the service area is prohibited.
- (f) {Trash or garbage shall not be allowed to be stored or kept on patios, porches, or decks for any amount of time.}
- (g) No owner, resident or lessee shall install wiring for electrical or telephone installation, television antennas, machines or air conditioning units, signs, awnings, canopies or other objects on the outside walls of a building or the roof without the prior consent of the Board.
- (h) No baby carriages, tricycles, bicycles, toys or other objects shall be allowed to stand in the [halls, passageways or] {common areas, sidewalks, streets, or fire lanes} of the project.
- (i) No objects shall be stored or kept on the decks {patios or porches} of any unit for more than 72 hours, except deck furniture, barbecues, flower planters and firewood. {Garden and hand tools and toys may be stored on decks, but only in an enclosed container no larger than 12 cubic feet.}
- (j) Owners shall immediately pick-up and remove all excrement dropped by their pets. Dogs shall be kept on a leash or under voice control of an owner when the dog is outside. Dogs shall not be tied to any portion of a building and {or} left unsupervised. Excessive barking is a violation of unit owners' right to peaceful enjoyment of their unit and is therefore prohibited.
- (k) No part of the property shall be used for other than residential purposes. Each [family] unit shall be used as a residence for a single family, as described below, and for no other purpose, except that a [n owner] {resident} may use a portion of his {/her} unit for an office or studio provided that the activities there shall not interfere with the quiet enjoyment or comfort of any other owner or occupant and provided further that in no event shall any part of the property be used as a school or music studio.

A single family shall be defined as including only the following relationships:

- A) Husband and wife
- B) Husband and wife and child(ren)
- C) Single person
- D) Single parent and child(ren)
- E) Brothers of the same family
- F) Sisters of the same family
- G) Brother and sister
- H) Grandparent(s) - Child(ren) - Grandchild(ren)

There shall be allowed in addition to the single family as defined above, to reside in a unit, one (1) unrelated person to the [owner] {single family}. [However, there shall not be allowed any more than two (2) unrelated persons living in a unit, including the owner.] If there is more than one owner of the unit, there still shall be allowed only two (2) unrelated persons living in [said] {each} unit. {Children shall include natural born, adopted, or stepchildren.}

- {(l) Unit owners must notify the Association or management agent of current tenant's names and provide same with a copy of the current rental agreement.}

- (m) There shall be no obstructions of the common elements nor shall anything be stored in or on the common elements without prior consent of the Board. Each owner shall be obligated to maintain and keep in good order and repair his/her own [family] unit. No campers, {trailers}, boats, {motorcycles}, snowmobiles or other kinds of recreational equipment may be stored within the common elements unless kept within the garage [or carport] designated for use of a [family] unit, and only then if the owner of that family unit requires the use of only one (1) additional parking space.
- (n) Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance of the building or contents thereof applicable for residential use without the prior written consent of the Board. No owner shall permit anything to be done or kept in his/her unit or in the common elements which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law. [No waste will be permitted in the common elements.]
- (o) No rabbits, livestock, fowl, poultry or other animals of any kind shall be raised, bred or kept in any unit, except dogs, cats or other {common} household pets, subject to the rules and regulations adopted by the Board, provided that they are not kept, bred, or maintained for any commercial purposes.
- (p) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which interferes with the peaceful possession and proper use of the property by its residents. No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- (q) Nothing shall be done in any [family] unit or in, on, or to the common elements which will impair the structural integrity of the building or which would structurally change the building except as is otherwise provided herein.
- (r) No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise shall be conducted, maintained or permitted on any part of the property; nor shall any "For sale" or "for rent" signs or other window displays or advertising be maintained or permitted on any part of the property or in any unit therein; except that grantors and their agents reserve the right to place "for sale" or "for rent" signs on any unsold or unoccupied units, and the right is hereby given to any mortgagee or trust indenture beneficiary who may become the owner of any unit, to place such sign on any family unit owned by such mortgagee or beneficiary.
- (s) Nothing shall be planted {except flowers or garden plants adjacent to an owner's unit}, altered or constructed in or removed from the common elements, except upon the written consent of the Board.

Section 2. Additional Administrative Rules and Regulations {along with reasonable fines and penalties associated with such Rules and Regulations} relating to the details of the administration and operation of Heritage Condominiums and the use of the common elements may be adopted or amended by the Board at any regular meeting or at any special meeting called for that purpose.

{Section 3. Decisions made by a previous Board may be amended or rescinded by a current Board at any regular meeting or special meeting called for that purpose.}

ARTICLE X

AMENDMENTS

Section 1. These By-Laws may be amended by the Association at a duly constituted meeting or by written ballot for such purposes and no amendment shall take effect unless approved by at least three-fourths (3/4) [of the interests] of the owners, and until a copy of the By-Laws, as amended, certified by the presiding officer and Secretary of the Association is recorded in the office of the Clerk and Recorder of Gallatin County, Montana.

ARTICLE XI

MORTGAGEES

Section 1. Any owner who mortgages his/her unit shall notify the Association through the management agent ~~[if any,]~~ or the Chairman of the Association in the event there is no manager, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled Journal. The Homeowner's Association ~~[shall]~~ {may} give the mortgagee notice in writing of any loss to the common elements which exceeds the sum of \$10,000.00, or damages to any condominium unit which exceeds the sum of \$1,000.00.

Section 2. Any first lien holder or mortgagee shall have the right to have a representative attend any regular or special meeting of the Association.

ARTICLE XII

DUE PROCESS BY HOMEOWNERS' ASSOCIATION

Section 1. In the event that an action is taken by the Homeowners' Association or Board against any individual unit owner to enforce an assessment, or any part of the By-Laws or Declaration, or any rule or regulation properly adopted by the Homeowners' Association, said homeowner shall be afforded the protection of due process which includes, but is not limited to the following:

(a) Adequate notice in writing of any default with a contingent right to cure the default {within thirty (30) days.}

~~[(d)]~~ {b} An opportunity to receive a formal hearing before an impartial form or tribunal.

~~[(e)]~~ {c} To findings of fact by the formal tribunal in accordance with the evidence presented.

~~[(f)]~~ {d} A penalty proportionate to the offense such as suspension of voting rights and recreation use rights or a reasonable fine imposed by the Board.

{e} If the unit owner believes that a violation is not occurring, the unit owner shall contact the Board in writing within the thirty (30) days and request a hearing. A hearing shall be promptly scheduled before the Board and the unit owner shall have the opportunity to present witnesses and such other evidence the unit owner deems necessary. The Management Agent may also present witnesses and such other evidence, as it deems necessary. The Chairperson of the Board shall have the right to limit the receipt of evidence that is repetitive or not relevant to the matter being heard. The unit owner and the Board shall have the right to cross-examine witnesses who appear at the hearing. At the conclusion of the hearing, the Board shall determine if a violation is occurring or not. It is determined that a violation is in fact occurring, the Board shall send written notice to the unit owner, by certified mail, return receipt requested, notifying that the unit owner has thirty (30) days to correct the violation.}

{f} If a unit owner disagrees with the determination of the Board following a hearing, the unit owner shall have the right to file an appeal to an arbitration panel. The Notice of Appeal to Arbitration Panel shall be placed in the mail within fifteen (15) days from the date of receipt of the notice of the Boards hearing decision. The appeal process shall be commenced by the unit owner delivering a written Notice of Appeal to Arbitration Panel, to the Board by registered mail, return receipt requested.

The arbitration panel shall consist of three members and shall be selected as follows:

(i) Each party shall select a member to serve on the arbitration panel and shall notify the other party in writing of the person so selected. This notification shall occur no later than fifteen (15) days following the receipt of the Notice of Appeal to Arbitration Panel.

(ii) Within ten (10) business days of their selection, the two arbitration panel members selected by the parties shall select a third member of the panel by mutual agreement. This jointly selected member shall serve as chairperson of the arbitration panel. Any question of procedure shall be determined in accordance with the rules of the American Arbitration Association.

The Arbitration Panel so selected shall by majority decision make a binding determination of the dispute before them. The Board and an appealing unit owner shall abide by any decision made by the panel and that said decision shall be binding upon them and not subject to judicial appeal or review, in the absence of fraud. The parties may file a decision of the arbitration panel in a court of law for the limited purpose of enforcing an arbitration panel decision.

The Board and the appealing unit owner shall equally share any and all costs of the arbitration process. Said costs shall be paid within five (5) business days of being invoiced for a cost. Each party shall bear their own attorney fees.}

We, the [President] {Chairman} and Secretary of Heritage Condominium Homeowners' Association, certify that these Bylaws are Bylaws which were amended and approved at a meeting of the Association on the _____ day of _____, 2008 and a subsequent mail vote.

Chairperson

Secretary