

BYLAWS
OF
STONEBRIDGE RESERVE
CONDOMINIUM ASSOCIATION, INC.

1. IDENTITY

These are the Bylaws of STONEBRIDGE RESERVE CONDOMINIUM ASSOCIATION, INC., hereinafter called the "Association", a corporation not for profit under the laws of the State of Florida. These Bylaws are adopted for the purpose of governing the Association and incorporate by reference the terms and conditions of the Articles of Incorporation of the Association and of the Declaration of Condominium referred to therein.

1.1 The Office of the Association shall be at 4901 Vineland Road, Suite 500, Orlando, FL 32811.

1.2 The Fiscal Year of the Association shall be the calendar year.

1.3 The Seal of the Association shall bear the name of corporation, the word "Florida", and the words "Corporation Not For Profit".

2. MEMBERS' MEETINGS

2.1 The annual members' meeting shall be held at least once each year at the office of the Association unless otherwise designated by the Board of Directors, at a time and date determined by the Board. Such annual members' meetings shall be for the purpose of transacting annual business of the Association authorized to be transacted by the members.

2.2 Special members' meetings shall be held whenever called by the President or by a majority of the Board of Directors, and must be called by such officer upon receipt of a written request from members entitled to cast ten percent (10%) of the votes of the entire membership. Provided, however, until Developer has relinquished control of the Association, no special members' meetings shall be called or convened for the purpose of removal of the Directors appointed by the Developer or to amend this Declaration or its exhibits to remove rights and reservations in the Developer.

2.3 Notice of all members' meetings with an agenda stating the time and place and the object for which the meeting is called shall be given by the President or Secretary. Such notice shall be in writing (unless waived by the Unit Owner in writing) to each member at his address as it is on the books of the Association and shall be given not less than fourteen (14) continuous days prior to the date of the meeting. An Officer of the Association shall provide an Affidavit, to be included in the official records

Exhibit "D"

of the Association, affirming that a Notice of the Association meeting was mailed or hand delivered, in accordance with this provision, to each unit owner at the addresses last furnished to the Association. Notice of a meeting may be waived in writing before or after the meeting. If it is an annual meeting, the Notice shall also be posted in a conspicuous place on the condominium property at least 14 continuous days in advance of the meeting and if not an annual meeting, 48 continuous hours in advance of the meeting, except in emergency. Notice of any meeting in which assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessments.

2.4 A quorum at members meeting shall consist of a majority of the voting interests entitled to cast votes of the entire membership. The acts approved by a majority of the votes present at a meeting of which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, these Bylaws, or the Condominium Act.

2.5 Voting.

(a) In any meeting of members, the Owners of Units shall be entitled to cast one vote for each Unit owned.

(b) If a Unit is owned by one person, that person's right to vote shall be established by the record title to the Unit. If any Unit is owned by more than one person, or is under lease, the person entitled to cast one vote for the Unit shall be designated by a certificate signed by all of the record Owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the President or duly authorized officer and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. If such certificate is not on file, the vote of such Owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

2.6 Proxies. Votes may be cast in person or by proxy as defined and limited by F.S. 718.112 (2)(b). A proxy may be made by any person entitled to vote and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof and in no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. The proxy shall be revocable at any time at the pleasure of the Unit Owner executing it, and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

2.7 Adjourned meetings. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.8 The order of business at annual members' meetings, and as far as practical at other members' meetings, shall be:

- (a) Collection of ballots not yet cast, as applicable.
- (b) Calling of the roll and certifying of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (e) Reading and disposal of any unapproved minutes.
- (e) Reports of Committees.
- (f) Appointment of inspectors of election.
- (g) Election of directors.
- (h) Determination of less than adequate reserves or no reserves.
- (i) Unfinished business.
- (j) New business.
- (k) Adjournment.

3. DIRECTORS

The affairs of the Association shall be determined by a Board of Directors. The first Board of Directors shall consist of three (3) directors who need not be members of the Association. The Board of Directors may from time to time increase or decrease the number of persons to serve on the Board, provided, however, that the Board must always consist of an odd number of members, and provided, further, that there shall never be less than three (3) Directors on the Board. The Board shall remain at three (3) Directors until such time as the Developer transfers control of the Association to Unit Owners other than the Developer, at which time the Board shall consist of not less than five (5) members, who shall be members of the Association. Any increase or decrease in the number of members on the Board shall be effectuated at least thirty (30) days prior to a regular annual election of the Board, and such change in number shall be effective as of the date of the next regular election. The term of the first Board of Directors or their replacements, shall continue until the Developer voluntarily relinquishes control of the Association, or relinquishes control as required by Florida Statute §718.301(1)(a)-(e) as follows:

(1) When Unit Owners other than the Developer own fifteen percent (15%) or more of the Units in the Condominium that will be operated ultimately by an Association, the Unit Owners other than the Developer shall be entitled to elect no less than one-third of the members of the Board of Directors of the Association. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors of the Association:

(a) Three years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(b) Three months after ninety percent (90%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(c) When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;

(d) When some of the Units have been conveyed to purchasers and none of the other are being constructed or offered for sale by the Developer in the ordinary course of business; or

(e) Seven years after recordation of the Declaration creating the initial phase of the Condominium.

(2) The Developer is entitled to elect at least one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least 5 percent of the Units in the Condominium. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Units in the same manner as any other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority of the Board of Directors.

3.1 Election of Directors shall be conducted in the following manner:

(a) Election of Directors shall be held at the annual members' meeting, with the first election being at the first member meeting required to be called pursuant to Florida Statute 718.301 to elect a Board member, or members, to provide for the percentage of Unit Owners other than the Developer on the Board of Directors as required by Florida Statute 718.301. Said election of Unit Owners other than the Developer shall take place in accordance with the procedures as set forth in F.S. 718 and the Florida Administration Code, as amended. Election of Directors thereafter shall be at each year's annual meeting.

(b) Except as to vacancies created by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

(c) Subsequent to delivery of control of the Board to the Unit Owners other than the Developer, pursuant to Florida Statute 718.301, any member of the board of administration may be recalled and removed from office with or without cause, by the vote or agreement in writing by a majority of the voting interests. A special

meeting of the Unit Owners to recall a member or members of the board of administration may be called by ten percent (10%) of the voting interests giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting. Recall shall operate in accordance with Florida Statute 718.112(2)(j).

(d) Provided, however, that until the Developer has relinquished control of the Association, the first directors of the Association shall serve, and in the event of vacancies, the remaining directors shall fill the vacancies, and if there are no remaining directors, the vacancies shall be filled by the Developer. This provision shall not be interpreted or be construed so as to preclude annual meetings of the membership.

3.2 The term of each director's service, subject to the provisions of 3.1(d) above, shall be as follows: The first Board elected subsequent to the transfer of control to the Unit Owners shall elect two (2) Board members for two years and the remaining Board members for one year. At the end of the initial term, they shall thereafter be elected for one year terms, thereby staggering the Board members.

3.3 The organization meeting of a newly-elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and a notice of such meeting shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours preceding the meeting.

3.4 Regular meeting of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least forty-eight (48) continuous hours prior to the day named for such meeting. Notice to members of Directors meetings shall be given by posting such notice in a conspicuous place forty-eight (48) continuous hours in advance of said meeting. Said meeting shall be open to all Unit Owners.

3.5 Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one-third of the Directors. Not less than forty-eight (48) hours' notice of the meeting shall be given personally, by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Notice to members of Directors meetings shall be given by posting such notice in a conspicuous place forty-eight (48) continuous hours in advance of said meeting. Said meeting shall be open to all Unit Owners.

3.6 Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

3.7 A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or these Bylaws.

3.8 Adjourned meeting. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time.

3.9 Joinder and meeting by approval of minutes. The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director and his agreement or disagreement with the actions taken. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

3.10 Presiding Officer. The presiding officer of Directors' meetings shall be the Chairman of the Board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

3.11 Order of Association Business. The order of business at directors' meetings shall be:

- (a) Calling of roll
- (b) Proof of due notice of meeting
- (c) Reading and disposal of any unapproved minutes
- (d) Reports of officers and committees
- (e) Election of officers
- (f) Unfinished business
- (g) New business
- (h) Adjournment

3.12 Director Fees. A Director shall not be entitled to, nor paid any fee for his services as a Director.

3.13 A Director shall be considered as present for a regular or special meeting if he is in simultaneous communication by telephone with all other Directors. A telephone speaker must be used so that the conversation of the Director attending by telephone may be heard by the Board members attending in person, as well as any Unit Owners present at a meeting.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

4.1 All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation and these

Bylaws, shall be exercised exclusively by the Board of Directors, subject only to the approval by Unit Owners where such approval is specifically required. Without limiting the powers and duties of the Board of Directors, it shall have the following express powers, in addition to all others herein granted, and provided for by the Declaration of Condominium and the Condominium Act, to wit:

(a) To enter into a long-term management contract, providing for the management of the condominium property and of the recreation area, if any.

(b) To enter into contracts for the purpose of making available to the Owners and residents of the Units such services as, but not limited to, doorman and automobile parking; maid service, security and security alarm system, contracts for maintenance, repair, replacement of common elements and the like, provided, however, that the term of period of such contracts shall not exceed three (3) years, and provided, further, that said contracts may provide for additional extensions of the original term in the absence of written notice of termination by either party.

(c) To charge, assess and collect fees, charges, assessments, including reserves for the Condominium, not less frequently than quarterly, and to enforce the collection according to the Declaration of Condominium and the exhibits and as allowed by law. To lease, maintain, repair and replace the common elements.

(d) To purchase or lease real and personal property in the Association's name.

(e) The Directors shall keep minutes of all meetings of the Unit Owners and the Board of Directors, and said minutes, together with current copies of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, books, records and audited financial statements shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, any holder, insurer or guarantor of any first mortgage that is secured by a Unit, any prospective purchaser of a Unit, or any agency or corporation which has an interest or prospective interest in the Condominium, and Board members at any reasonable time. All accounting records and all minutes shall be retained for a period of time not less than seven years.

(f) To create and promulgate reasonable rules and regulations for the operation of the Condominium.

(g) To adopt a budget for the Association. Except notice of the meeting for adoption of the budget and a copy of the budget shall be mailed to all members at least fourteen (14) days prior to the Board meeting.

4.2 The Association has the irrevocable right of access to each unit, during reasonable hours, when necessary for the maintenance, repair, or replacement of any common elements or of any portion of a unit to be maintained by the Association

pursuant to the Declaration or as necessary to prevent damage to the common elements or to a unit or units.

5. OFFICERS

5.1 The officers of the Association shall be a President, who shall be a Director, Secretary and a Treasurer, all of whom shall be elected annually by the Board of Directors, and such other officers as the Board of Directors may, from time to time, designate.

Any officer may be removed peremptorily, without cause, by a vote of two-thirds (2/3) of the directors present at any duly constituted meeting.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

5.3 The Secretary shall keep the minutes of all proceedings of the directors and the members meetings; shall tend to the giving and serving of all notices to the members and directors and other notices required by law; shall have custody of the seal and affix it to instruments requiring a seal when duly signed; shall keep the records of the Association, and shall perform all duties incident to the office and as may be required by the directors or the President.

5.4 The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness; shall keep the books of the Association in accordance with good accounting practices; and shall perform all other duties incident to the office.

5.5 No compensation shall be paid to any officer of the Association. No officer who is a designee of the Developer shall receive any compensation for his services as an officer.

6. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Condominium, Articles of Incorporation of the Association, and the Condominium Acts shall be supplemented by the following provisions.

6.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current expenses, which shall include all receipts and expenditures within the year for which the budget is made, including, if applicable, but not limited to those expenses listed in F.S. 718.504(21)(c), including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in this fund at the end of each year shall be applied to reduce the assessments for operating expenses for the succeeding year, or may be distributed to the membership, as the Directors shall determine.

(b) Reserve accounts for capital expenditures and deferred maintenance. Each of these accounts shall include, but not be limited to roof replacement, building painting, and pavement resurfacing. The establishment and funding of these reserve accounts shall be subject to the conditions and exceptions set forth in F.S. 718.112(2)(f).

(c) Operations, which shall include gross revenues from the use of Common Elements and from other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation shall be used to reduce the assessments for current expense for the year during which the surplus is realized.

6.2 Budget. The Board of Directors shall adopt a Budget for each fiscal year that shall include the estimated funds required to defray the Common Expense and to provide and maintain funds for reserves. The form of the annual budget shall be in conformance with Chapter 718.112 and 718.504(21) of the Florida Statutes. A copy of the Budget shall be delivered by mail or hand delivery at the address of the Unit Owner existing on the books of the Association not less than fourteen (14) days prior to the meeting of the Unit Owners or the Board of Directors at which it is to be considered, together with a notice of that meeting. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board, upon written application of 10% of the Unit Owners to the Board, shall call a special meeting of the Unit Owners within sixty (60) days, upon not less than fourteen (14) days written notice to each Unit Owner. At the special meeting, the Unit Owners shall consider and enact a budget. The adoption of the budget which exceeds 115% of the assessments for the preceding year requires a vote of not less than a majority of the vote of all Unit Owners. The budget shall be considered adopted if approved by a majority of the Unit Owners. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, then the budget adopted by the Board of Directors goes into effect. In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium property, anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular annual basis, or assessments for betterments to the Condominium property must be excluded from the computation. However, as long as the Developer is in control of the Board of Directors,

the Board may not impose an assessment for any year greater than 115% of the prior fiscal or calendar year's assessment without approval of the majority of all of the Unit Owners.

6.3 Assessments. Assessments against the Unit Owners for their share of the items of the budget shall be made for the fiscal year annually, in advance, 30 days preceding the fiscal year for which the assessments are made. Such assessments shall be due and payable as determined by the Board of Directors, but not less frequently than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and payments on such assessment shall be due and payable in the same manner as the prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable as determined by the Board of Directors. Provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

6.4 Acceleration of Assessment installments upon default. If a Unit Owner shall be in default in the payment of an assessment, the Board of Directors may file a claim of lien in the Public Records of Orange County for such delinquent amount and for the assessments due for the remainder of the budget year in which the claim of lien is filed. Upon filing of the claim of lien, the Board of Directors may accelerate the remaining balance of the assessment upon notice to the Unit Owner, and the unpaid balance of the assessments shall be due and payable the date the claim of lien is filed.

6.5 The depository of the Association shall be such bank or savings and loan association as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the directors, provided that a Management Agreement may include in its provisions authority in a designated agent to sign checks on behalf of the Association for payment of the obligations of the Association.

6.6 Fidelity bonds shall be required by the Board of Directors for all persons including officers and Directors controlling or disbursing funds of the Association in accordance with Florida Statute 718.111(11)(d). The premiums on such bonds shall be paid by the Association.

6.7 Financial Reports. Within 90 days after the end of the fiscal year of the Association, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Financial reports shall be prepared as required by rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes ("Division"). Within 21 days after the financial

report is completed or received by the Association from the third party, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report, or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner. If the Division requires that the financial statements be compiled, reviewed, or audited, such requirements may be reduced when a majority of the voting interests of the Association present at a duly called meeting of the Association have determined for a fiscal year to reduce such requirements. In an Association in which turnover of control by the Developer has not occurred, all Unit Owners, including the Developer, may vote on issues related to the preparation of financial reports for the first 2 years of the operation of the Association, after which time votes on such issues shall be by a majority of voting interests other than the Developer. The meeting shall be held prior to the end of the fiscal year, and the votes shall be effective for only the fiscal year in which the vote is taken.

7. PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation, or these Bylaws.

8. AMENDMENTS

A resolution for the adoption of a proposed amendment of these Bylaws may be proposed by either the Board of Directors of the Association or by the members of the Association. Members may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than twenty percent (20%) of the membership. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided for, the President or, in the event of his refusal or failure to act, the Board of Directors, shall call a meeting of the membership to be held within sixty (60) days for the purpose of considering said amendment. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(a) Not less than sixty-six and two-thirds percent (66 2/3%) of the entire membership of the Board of Directors and by not less than sixty-six and two thirds percent (66 2/3%) of the votes of the entire membership of the Association; or

(b) Not less than sixty-six and two-thirds percent (66 2/3%) of the votes of the entire membership of the Association.

8.1 Proviso. Provided, however, that no amendment shall discriminate against any condominium Unit Owner nor against any Condominium Unit or class or group of Units unless the Condominium Unit Owners so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium. Each amendment shall, on the first page, identify the book and page of the Public Records where the declaration of each condominium operated by the Association is recorded.

8.2 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and Bylaws, which certificate shall be executed by The President or duly qualified officer of the Association with the formalities of a deed. The amendment shall be effective when such certificate shall be annexed to and recorded with an amendment to the Declaration of Condominium where the Condominium is located.

8.3 No Bylaws shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. Non-material errors or omissions in the Bylaw process shall not invalidate and otherwise properly promulgate an amendment. Extensive changes to the By-Laws may be changed in accordance with Florida Statute 718.112(2)(h)2.

9. STATUTORY INCLUSIONS

9.1 If the transfer, lease, sale, or sublease of a Unit by its owner is subject to notice to the Condominium Association or any body thereof, a preset fee not to exceed the amount permitted by Florida Statute 718 may be charged by the Association in connection with any such transfer, sale, lease, or sublease to cover the Association's expenditures and services.

9.2 Notice of any meeting where assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

9.3 Mandatory non-binding arbitration. In the event of internal disputes arising from the operation of the condominium among Unit Owners, Associations, and their agents and assigns, the parties shall elect to resolve such disputes by submitting to mandatory non-binding arbitration in accordance with Florida Statutes 718.1255. If the parties agree to so submit, they shall make such election in writing filed with the Secretary of the Association.

9.4. Compliance with Fire and Safety Code. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board

of Directors as evidence of compliance of the Units to the applicable fire and life safety code.

10. FINES - LEVY AND FORECLOSURE

10.1 The Board of Directors of the Association shall have the power and authority to levy and collect fines in accordance with the Declaration of Condominium, Articles of Incorporation, Bylaws and Rules and Regulation periodically created from time to time by the Board of Directors and/or the Association for the operation and management of the Condominium property. No fine may become a lien against a Unit and no fine may exceed \$100.00 per violation. A fine may be levied on the basis of each day of a continuing violation, provided that no such fine shall in the aggregate exceed \$1,000.00.

10.2 In the event a fine is to be levied, the following procedure shall be followed:

(a) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing before a committee of other Unit Owners after reasonable notice of not less than 14 days, and said notice shall include:

- (1) A statement of the date, time and place of the hearing;
- (2) A statement of the provisions of the Declaration, Association Bylaws, or Association rules which have allegedly been violated; and
- (3) A short and plain statement of the matters asserted by the Association.

(b) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

(c) The hearing shall be conducted before a committee of other Unit Owners.

(d) Subsequent to the hearing and any continuance thereof, but, nevertheless not later than 10 days following the adjournment of the hearing, the Board of Directors, with the concurrence of the committee, shall make a final decision as to the levying and assessment of the fine. If the committee does not agree with the fine, the fine may not be levied. Such decision shall be delivered to the party against whom the fine is sought to be levied by notice in writing at the last known address of the party.