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AMENDED AND RESTATED BY-LAWS OF TURTLE ROCK III HOMEOWNER'S ASSOCIATION

DIVISION I: OFFICES

Item 1. Principal Offices: The principal offices of the Turtle Rock III Homeowner's Association (HOA) shall be in the City of Phoenix, county of Maricopa, State of Arizona.

Item 2. Other Offices: The Corporation may establish such office or offices at such other places within the State of Arizona as the Board of Directors may from time-to-time designate.

DIVISION II: HOA MEETINGS

Item 1. Annual Meetings: Annual meetings of the members shall be on the second Saturday of January of each year, at such date, time and location as may be fixed by the Board of Directors and set out in the notice of meeting, for the purpose of electing directors and transacting other business authorized to be transacted by the Members. In addition, the Association shall hold another meeting of the members in the summer of each year.

Item 2. Special Meetings: Special meetings of the members may be called at any time by the President, a majority of the Board of Directors, or upon written request of 25% of eligible voting membership.

Item 3. Notice of Meetings: Written notice of all meetings of the members shall be given by, or at the direction of the secretary, or person authorized to call such meeting, by mailing a copy of such notice, postage prepaid, or e-mailing such notice. This notice shall be addressed to the member's address last appearing upon the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, with complete agenda items. This notice must be given to the Owners no less than 30 days and no more than 60 days, prior to the meeting.

Item 4. Quorum: The presence at any annual/special meeting of members entitled to cast 30% of the votes in person, or by mail-in ballot, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present, or represented at any meeting by an absentee ballot, the members entitled to vote thereat shall have the power to adjourn the meeting from time-to-time, without notice other than the announcement at the meeting, until such quorum as aforesaid shall be present.

Monthly Meetings: A quorum of 3 Board members present will constitute a quorum for monthly HOA meetings.

Section 5. Voting: A Member may vote in person or by absentee ballot executed in writing by such member. Such absentee ballot shall be returned to the Association by the date specified on the ballot. Every absentee ballot shall be irrevocable after submitted, unless the Owner submits a written notice of revocation prior to the vote taking place at a meeting. Every absentee ballot shall become invalid upon the completion of the meeting for which the ballots are to be used.

Item 6. Informal Action. Any action required to be taken at a meeting of the members, or any other action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

DIVISION III: BOARD OF DIRECTORS

Item 1. Number: The affairs of this Association shall be managed by a Board of Directors consisting of six (6) members, five (5) of whom shall be voting members, who must all be members of the Association. The Board of Directors is limited to one (1) member per Lot.

Item 2. Term of Office: The terms for the directors shall be staggered. Accordingly, at each annual meeting, the members shall elect two (2) Directors, as needed for a term of three (3) years to replace outgoing Directors.

Item 3. Vacancies: If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, disability or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor. Any Board appointments shall be filled by election at an annual meeting and be for the unexpired term of the newly elected Director's predecessor.

Item 4. Removal: Any Director may be removed from the Board, with or without cause, by a majority vote of the eligible voting members of the Association present at a special meeting of the members or by absentee ballot. The Board shall call, notice and hold such special meeting within thirty (30) days of receipt of a petition calling for removal of a board member that is signed by at least twenty-five percent (25%) of the members entitled to vote. A special meeting held pursuant to this section shall require a quorum of at least twenty percent (20%) of the membership present in person or by absentee ballot. In the event of death, resignation or removal of a Director, a successor

shall be selected by the remaining members of the Board and shall serve until the next annual meeting.

Item 5. Compensation: No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of duties.

Item 6. Action Taken without a Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining approval of a quorum of Directors. Any action so approved shall have the same effect as though taken at the meeting of the Directors, and must be recorded at the next monthly HOA meeting.

DIVISION IV: NOMINATION AND ELECTION OF DIRECTORS

Item 1. Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) non-board members of the Association. The Nominating committee shall be appointed by the Board of Directors at each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall seek individuals and make as many nominations for election, or appointment, to the Board of Directors, as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among eligible members. The Board shall accept all recommendations of the Nominating Committee, but has the right to veto any member's nomination due to that member's non-compliance with the governing documents.

Item 2. Election: Election to the Board of Directors shall be by secret ballot. At such election, the member may cast one vote for one nominee, in respect to each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted, in accordance with the laws of Arizona.

Mail-In Ballots: Mail-in ballots shall be permitted, but must be received by the Board, at least 48 (forty-eight) hours prior to the scheduled meeting.

DIVISION V: MEETINGS OF DIRECTORS

Item 1. Monthly and/or Board Meetings: Regular meetings of the Board of Directors shall be held at the discretion of the Board, with notice, at such place and hour as may be fixed from time-to-time by resolution of the Board.

Item 2. Special Meetings: Special meetings of the Board of Directors shall be held when called by the President, or by any two Directors, after not less than three (3) days notice is given to each Director, and posting of such meeting to the general community.

Item 3. Quorum: A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done, or made, by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

DIVISION VI: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Item 1. Powers: The Board of Directors shall have the power to:

- a. adopt and publish Rules and Regulations governing the use of the Common Area, Lots, and all other property within the community, and to establish penalties for infractions thereof;
- b. suspend the voting rights of a member during any period in which such member shall be in default (as defined in CC&R's, p. 4) in the payment of any assessment levied by the Association;
- c. exercise for the Association all powers, duties and authority vested in, or delegated to, this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- d. declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board, without valid reason.

Item 2. Duties: It shall be the duty of the Board of Directors to:

- a. cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the members at the annual meeting of the members; or at any special meeting to provide all records pertaining to cause of such special meeting, when such statement is requested in writing by one-fourth (1/4) of the eligible voting membership;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. as more fully provided in the Declaration:
 - (i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each assessment period;
 - (ii) send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period, and;

- (iii) file a lien against any property for which assessments are not paid within forty-five (45) days after the due date, or to bring an action at law against the Owner personally obligated to pay the same;
- d. issue, or to cause an appropriate officer to cause, upon demand by any authorized person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e. procure and maintain adequate liability and hazard insurance on property owned by the Association;
- f. cause all officers or employees having fiscal responsibilities to be bonded, as deemed appropriate;
- g. cause the Common Areas to be maintained;
- h. cause to determine division of funding to any designated fund;
- i. conduct meetings according to Robert's Rules of Orders.

Division VII: Officers

Item 1. Enumeration of Officers: All the officers of this Association shall be Owners of Record. The Board will consist of a President, Vice-President, Treasurer, Secretary and 2 Voting Members At-Large.

Item 2. Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors, following each annual meeting of the members.

Item 3. Term: Each elected or appointed Director of this Association shall be assigned by the other Board members to an office on the Board, and shall hold such office for one (1) year, unless the Board deems reconfiguration necessary, or unless he/she shall sooner resign, or shall be removed or otherwise disqualified to serve.

Item 4. Special Appointment: The Board may elect such other officers as the affairs of the Association shall require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time-to-time determine.

Item 5. Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice, or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

DIVISION VIII: DUTIES OF THE OFFICERS

Item 1. President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out, shall sign all Common Area deeds and written documents; and co-sign all checks. The President shall oversee the performance of all other officers. The President, or designee, will personally welcome all new residents to Turtle Rock III with an Association Welcome Packet, which shall consist of all community documents and the resale disclosure statement. In addition it will be the responsibility of the President to insure that all ARS statutes are received, obtained and followed. The President will vote only in the case of a tie.

Item 2. Vice-President: The Vice-President shall act in the place, and stead, of the President in the event of absence, inability or refusal to act. The Vice-President will oversee and coordinate all subcommittees of the Association, and be a member of a minimum of one (1) standing committee of the Association.

Item 3. Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and members; keep the corporate seal of the Association, and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses. In addition the Secretary will be responsible for the upkeep and maintenance of the Association bulletin board. It will be the responsibility of the Secretary to maintain a welcome packet, including all documents pertaining to the Association, for distribution to new residents.

Item 4. Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as needed to maintain Association business, or as directed by resolution of the Board of Directors; shall co-sign all checks of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant, at the completion of each fiscal year (January 1 – December 31), within 90 days, if directed by the Board; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at the regular annual meeting, presenting a copy of each to the members, upon request. The Treasurer shall notify the secretary of any address changes made that comes to his/her attention.

Item 5. Members At-Large: The Members At-Large shall serve as a member of at least one standing committee of the Association, and assume other responsibilities as deemed necessary by the Board. In addition the Members At-Large shall be responsible to notify residents of non-compliance. It will be their further responsibility to notify the Board if non-compliance is not corrected in a timely manner, for enforcement of

sanctions. Each Member-At-Large shall be assigned responsibility for residents of E. Michigan or Villa Maria.

DIVISION IX: COMMITTEES

Item 1. Standing Committees: The Board shall appoint, empower, and regulate the following standing committees:

A. **Architectural Control Committee (ACC):** As provided in the Declaration and with such duties as set forth therein (See CC&R's; Article IX). It is their further responsibility to provide for the enforcement of the following:

(i) **Designated Home Colors:** All homes must remain stucco and shall be painted low sheen white (as compared to Frazee 0001), with matching garage doors.

(a) **Trim:** All house trim shall be painted dark brown or white.

(b) **Gates:** Backyard gate doors shall be white, or dark brown paint or a dark brown or white stain.

(c) **Block walls:** Visible block walls shall be white.

(ii) **Exterior Front Doors:** Exterior front doors shall be steel, wood, or fiberglass. If painted, the doors shall be white or dark brown to match the trim. If the door is wood, it must be stained white or an equivalent dark brown to match the trim.

(iii) **Security/Screen Doors:** All security/screen doors shall be brown (black if brown is not available) or white.

(iv) **Awnings:** All awnings shall match the house or trim color. Any variations of the above must be approved by the ACC.

B. **Landscape Committee (LC):** The Board shall maintain a three (3) member Landscape Committee, one of whom shall be a member of the Board.

(i) **Purpose:** The purpose of the LC shall be to oversee the appearance of all Common Areas and provide recommendations to the Board for improvement or change. The LC will coordinate with the ACC, regarding changes to front yard landscaping by residents.

(ii) **Duties:** The LC will be the Association liaison to the hired landscapers and oversee that said landscapers provide proper maintenance to the Common Areas.

It will be their further responsibility to work with the Owners regarding changes in front yard landscaping, in order to maintain the integrity of the community.

C. **Nominating Committee (NC):** The Board shall maintain a Nominating Committee, whose purpose and duties are outlined in the CC & R's; Division IV; Section 1.

(i) **Procedure for Filling Vacancies:** When a vacancy occurs, the Board will advise the NC of such. The NC will provide recommendations, or a slate, to the Board for filling said vacancy within fourteen (14) calendar days. At the following monthly HOA meeting the Board will elect a replacement to serve until the next annual meeting. In the event the NC makes no recommendation(s) or does not provide a slate to fill said vacancy, the Board may choose to fill such, without said recommendation.

Item 2. Other Committees: The Board shall appoint other committees as deemed appropriate in carrying out its purpose.

DIVISION X: BOOKS AND RECORDS

The books, records and papers of the Association shall at all time, during reasonable, business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection to any member, upon request to the Board.

DIVISION XI: ASSESSMENTS

Item 1. Dues & Annual Assessments: As more fully provided in the Declaration, each member is obligated to pay to the Association annual assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid within thirty (30) days after the due date will be considered delinquent and an appropriate fine levied. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. All interests, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessment.

Item 2. Road Assessment: Pursuant to the Declaration, each member shall pay an annual road assessment for the purpose of creating an account to ensure payment when due of the cost of road repair and replacement. The initial amount of such annual road assessment shall be determined by the Board, in its sole discretion. The amount of the annual road assessment for each following year shall be proposed by the Board and

approved by a majority vote of the members voting in-person at the annual meeting or by absentee ballot. If the required percentage of members does not approve the proposed annual road assessment for any particular year, the road assessment amount for that year shall default to the amount of the annual road assessment imposed the immediately preceding year.

DIVISION XII: CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the corporation, the year it was organized, and the word “Arizona”, which shall be kept by the Secretary.

DIVISION XIII: AMENDMENTS

Item 1. Procedure: These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of eligible voting members, voting in person, or by mail-in ballot.

Item 2. Conflicts: In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

DIVISION XIV: ADDITIONAL RULES

Item 1. Committees: Any resident of the community may serve on any standing or ad hoc committee.

Item 2. Community News: Residents can check the Bulletin Board so as not to miss any Association notices and news.

Item 3. Contracts; Conflict: Upon the consideration of awarding a contract to a Director, or relative of a Director, that Director shall abstain from voting on award of said contract, as per Arizona Revised Statutes § 33-1811.

Item 4. Flags: Tattered, torn or faded flags will not be permitted.

Item 5. Loud Exhaust: Any vehicle which may cause excessive noise (motorcycles, open piped vehicles, recreational vehicles, etc) shall not be allowed. Said vehicles which do not create a noise disturbance will be permitted.

Item 6. Mailboxes: Per postal regulations, any mail left in a mailbox for more than 10 days will be returned to sender and that mailbox will be designated vacant. Currently,

Turtle Rock III is serviced by the Sunnyslope Post Office, located on 7th Street and Mountainview.

Item 7. Oil and Grease: Oil and grease stains shall be cleaned up and not allowed to remain on any surface. Any damage resulting to any Common Area shall be paid by the Owner of the Lot.

Item 8. Parking:

- A. **Driveways:** The number of vehicles permitted to park in a driveway shall remain consistent with the capacity of the Owner's garage. No vehicles will be allowed to park on gravel, lawns, or any surface other than cement.
- B. **Extended Driveways:** Should an Owner choose to extend the width of their parking area, they must present a proposal to the ACC for approval and must conform to the property lines.
- C. **Overhanging Vehicles:** In order to overhang up to 50% of the sidewalk, a vehicle must be parked within 12 inches of the garage door.
- D. **Curbside Parking:** Parking will not be allowed on any portion of the sidewalk.
- E. **Mailbox Parking:** Residents may not park in front of the mailboxes any longer than is necessary to pick up mail.

Item 9. Patio Storage: Any items stored on the back patio must be kept below the level of the patio wall.

Item 10. Pets: All pets must be kept on designated areas and shall not be allowed on any portion of any other Owner's property, without the express permission of said Owner. Any pet allowed to roam may be removed from the community. The Owner of said pet shall make restitution for any repair and cost of removal or boarding. Pets must be confined to Owner's units and must not be tied up on the common areas or permitted to run loose.

Item 11. Political Signs: The Association shall allow at least one (1) political sign with a maximum dimension of 24 inches by 24 inches on any Owners Lot, no earlier than 45 days before the election or 7 days after the election, in accordance with ARS § 33-1808. Political signs are defined as a sign that attempts to influence the outcome of an election.

Item 12. Registered Sex Offenders: Registered Level 2 and 3 sex offenders will not be permitted to reside in Turtle Rock III.

Item 13. Returned Check Charges: In addition to any and all charges imposed under the CC&R's, Articles, By-Laws and Rules & Regulations, a fee shall be assessed against an Owner for any check or other instrument that is not honored by the bank, or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. This returned check charge shall be due and payable immediately. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit of which payment was tendered to the Association. If two (2) or more of a unit's checks are returned unpaid by the bank within any fiscal year, the Association may require all future payments, for a period of one (1) year, be made by cashier's check or money order.

Item 14. Sidewalks & Curbs:

- A. **Accessibility:** No Resident will allow any personal activity to cause the sidewalk to be blocked, so as to interfere with pedestrian usage. In the event of a garage sale, prior permission from the Board must be received if the sidewalk is to be used.
- B. **Maintenance:** Although it is the Association's responsibility for long-term maintenance and repair of the sidewalk, it is the Owner's responsibility to keep the sidewalk located within their property line free of gravel and debris. It is their further responsibility to notify the Board, in a timely manner, of any major repairs needed.
- C. **Painting:** It shall be the responsibility of the Board to paint curbside house numbers (black numbers on a white background) every four (4) years. The cost of such will be paid from the Reserve or General Fund or by a special assessment in the event there are insufficient funds in either.

Item 15. Speed Limits: The posted speed limit for Turtle Rock III is 15 MPH. All residents and guests must abide by the posted limits, which can be found at each entry area to the community.

Item 16. Sports Activities:

- A. **Skateboards & Scooters:** No skateboards or scooters, powered or not, shall be allowed on any Common Area.
- B. **In-line & Roller Skating:** In-line, or roller skating is prohibited on any Common Area.

C. **Basketball:** Basketball hoops will not be allowed in, or visible from, the front Lot, when not in use.

Item 17. Trash/Recycle Collection:

A. **Parking:** No parking on the street during trash/recycle collection days, which interferes with said collection, will be permitted.

B. **Placement:** Not trash/recycle containers shall be placed for collection before 6:00pm of the evening proceeding collection. Receptacles shall not be placed close enough to a neighbor's receptacle to impede collection.

C. **Removal:** All receptacles must be removed within 24 hours after pick-up.

D. **Bulk Trash:** Bulk trash may not be placed out for collection sooner than the Saturday prior to the scheduled collection. Any items not collected, or any remaining debris, must be removed within 24 hours of collection.

Item 18. Walls: Nothing may be hung over the walls and gates so that it can be viewed from the Common Area, including the streets, and/or adjoining property.

DIVISION XV: ENFORCEMENT OF RULES

Item 1. Notification Procedure: When a violation is noted, or occurs, any Homeowner in the Association may notify the Board, or Member-At-Large, stating the address of the Lot involved, or the street location or Common Areas involved, and the nature of the violation, in writing. The Member At-Large, or a Board designee, shall notify the resident of the violation in writing within three (3) days.

Item 2. Failure To Comply: If non-compliance occurs, the Board of Directors will serve notice of the violation, in writing and by certified mail, giving said resident ten (10) days to correct the violation, except for an Owner's failure to maintain their Lot, whereby the Association shall grant the Owner thirty (30) days to correct the violation, pursuant to Article VI, Section 3 of the Declaration.

Item 3. Fines: Should the Homeowner fail to correct the violation, within the specified time, or obtain a time extension, a fine will be assessed. If the infraction remains uncorrected, the Homeowner will receive a fine every month, increasing in amount. When a single maximum fine is reached, the Board of Directors will again review the violation. Additional fines, per month, may be levied. Fines will be determined by the Board (see Rules and Regulations), and be consistent with the level of the violation.

DIVISION XVI: MISCELLANEOUS

Item 1. Fiscal Year: The fiscal year of the Association shall begin on the first of January and end on the 31st of December of every year

Item 2. Grandfather: Any Owner found to be out of compliance with any portion of the CC & R's, By-Laws, Articles of Incorporation, or Rules & Regulations, as a result of these revised CC & R's, By-Laws, Articles, or Rules and Regulations, will be considered in compliance until such time as said violation needs replacement, or the dwelling is sold.

Item 3. Responsibility in Re-Sale: It shall be the responsibility of all Owners and Buyers to negotiate bringing a home for sale into compliance, as once the home is sold the new Owners will be required to insure compliance.

Item 4. Spirit of the Law: All above mentioned rules and regulations shall be respected by each Owner, not only as written, but in the spirit in which they were written. Any resident found to be in violation of the spirit of the law, will be held accountable to the same extent as if they were in actual violation.