

ASSOCIATION BY-LAWS
BY-LAWS OF SCOTTSDALE SHADOWS V, INC .
Revised October 9, 2022

ARTICLE 1

Section 1. The corporation has been formed for, the purpose of Serving as the Council of Co-owners for Scottsdale Shadows V (the "Association") , a horizontal property Association existing by virtue of a Declaration of Horizontal Property Association and with the County Recorder of Maricopa County, Arizona, at Docket 12813, pages 87 et seq. , as amended by instrument recorded at Docket 12915, page 1442, et seq. (such document as heretofore or, here-after amended and in effect from time to time being hereinafter called the "Declaration").

Section 2. **Definitions.** Terms used herein which are defined in the Declaration shall have the same meanings as in the Declaration. Except as otherwise defined in the Declaration, terms used herein which are defined in A. R.S. 533-551 shall have the definitions set forth in said statute.

Section 3. **Application of By-Laws.** All present and future Owners, tenants, future tenants of other employees or any other person that might use the facilities of the Association in any manner are subject to the provisions of these By-Laws. The ownership or rental of any of the Units in the Association or the mere action of occupancy of any of said Units will signify that these By-Laws are accepted, ratified and will be complied with by the occupant or Owner.

Section 4. **Priority of Declaration.** The provisions of the Declaration shall have priority over these By-Laws, and any provision hereof which is contrary to or inconsistent with the Declaration shall be void to the extent of such inconsistency.

ARTICLE II

Section 1. **Voting.** A person voting for members of The Board of Directors must be an Owner of a Unit of Association V (Building 28 or 29.) Notwithstanding the number of co-owners who may jointly or otherwise own a Unit, voting on all matters shall be limited to one (1) of the co-owners. Where two (2) or more Persons own an interest in a Unit, they shall designate to the Board of Directors one of their number who shall have the power to vote.

Section 2. **One Voter Per Unit.** In all matters requiring a vote of the Owners, voting shall be on the basis of one vote per unit.

Section 3. **Majority of Co-Owners.** As used in these By-Laws, the term "majority of Co-Owners" shall mean more than 50% of eligible votes as defined in Article II-Section 2.

Section 4. Proxies. No proxy voting is allowed (by Arizona Law.) Voting may be cast in person, by written ballot or by electronic media as provided for in Article IV Section 4.2.1 of the Declaration of CC&R dated May 14, 2021.

Section 5. Election of Directors. Annual elections of directors shall be by secret written ballot. The candidates receiving the largest number of votes, as defined in Article II-Section 2, shall be elected.

A. Term of Office. At the first annual meeting of the Members, and at each annual meeting thereafter, a Board of Directors shall be elected. Initial terms shall be adjusted so not all members run at the same time. Until the first annual meeting of the Members, the Board of Directors shall be designated in the Articles of Incorporation.

- i. After the first annual meeting all members shall serve a three (3) year term. The directors shall hold office until their successors have been elected and hold their first meeting.
- ii. When for any reason election of Board Members would result in all Board Members running for election at the same time the following process shall be implemented by The Board.
 - a. For a five (5) member board: The Board by majority vote shall modify the terms of two (2) member terms so they would run for election before the remaining three (3) members. Subsequently, those two (2) Board positions shall have three (3) year terms.
 - b. For a seven (7) member board: The Board by majority vote shall modify the terms of three (3) member terms so they would run for election before the remaining four (4) members. Subsequently those three (3) Board positions shall have three (3) year terms.

B. Election of RCI Delegates. At each annual meeting the Board of Directors shall elect the representatives to The RCI Board per the requirement in Article IV Section 17g

ARTICLE III

Section 1. Number and Qualifications of Board of Directors. The affairs of the corporation shall be governed by a board of directors composed of five (5) or seven (7) persons, all of whom must be owners of Units of Association V.

Section 2. Election of Directors. Eligible voters, as defined in Article II-Section-2, shall be entitled to one vote per director to be elected. Only one vote per candidate may be cast. If two or more directors are to be elected, voters may cast one vote per candidate, but votes may not be cumulative for any one candidate.

Section 3. Officers. The officers of the corporation, elected by the Board, shall be a President, a Vice-president, Recording Secretary, and a Treasurer.

When the Board is five (5) members; The Board shall also have the power to appoint a Corresponding Secretary from the corporation members if no Board member accepts the position. The Board shall also have the power to appoint a Treasurer from the corporation members if no elected member accepts the position. These appointments shall not have voting rights and shall not have the effect of increasing the voting membership of the governing board.

The President may appoint a Board Member as Secretary, or the Vice-President may assume the Secretary position becoming Vice-President and Secretary. The President may appoint a Board Member as Treasurer or the Vice-President may assume the Treasurer position, becoming Vice-President and Treasurer. But no member may hold more than two offices. The President may not assume any additional offices.

ARTICLE IV

Section 1. Designation. The principal-officers of the corporation shall be a President, Secretary and Treasurer and, at the discretion of the Board, one Vice-President. As described in Article III Section 3 a person may hold more than one office, except the person holding the office of President may not hold any other office simultaneously.

Section 2. Resignation and Removal of Officers. Upon an affirmative vote of a majority of the members of the Association, any officer may be removed, either with or without cause. Any officer may resign at any time by giving written notice of such resignation to the Board, the President or the Secretary. Such resignation shall take effect upon receipt or at any later time specified therein; and unless otherwise provided therein, acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office may be filled at any regular meeting of the Board of Directors or of any special meeting of The Board called for such purpose.

Section 3. President. The President shall be the chief executive officer of the corporation and shall preside at all meetings of the Members and of the Board of Directors. The President shall have all the general powers and duties that are usually vested in the office of the President of a corporation, including, but not limited to the power to appoint committees from among the Owners from time to time so as to assist in the conduct of the affairs of the corporation.

Section 4. Vice-President. Vice-President shall take the place of the President and perform those duties as defined in Article IV-Section 4 whenever the President shall be absent and unable to act. If neither the President nor the Vice-President shall be able to act, the Board-of-Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed on that office by the Board of Directors.

Section 5. Secretary. The Secretary shall have the responsibility for keeping the minutes of all meetings of the Board of Directors, both open meetings and executive meetings, and such correspondence as shall be necessary and such other duties as shall from time to time be imposed by the Board of Directors onto that position.

The Secretary shall have the additional responsibility as Corresponding Secretary for written communications relating to the Association and to keep a file on all outgoing and incoming correspondence. The Board may hire an outside management company or person to perform some or all the duties of the Corresponding Secretary.

Section 6. Treasurer. The Treasurer shall have the responsibility for funds and securities of the corporation and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the corporation and such depositories as may from time to time be designated by the Board of Directors. The Board may hire a Management Company or Certified Public Accountant to keep the accounts of the corporation.

Additionally, the Treasurer shall have the responsibility of:

- (1) To open bank accounts on behalf of The Association. Such accounts shall be FDIC insured and the value of each account shall be within the FDIC insurance limit.
- (2) To invest any excess funds held or controlled by the corporation and any such an investment shall meet the requirements of Article IV, Section 6 (1).
- (3) The signatories of such accounts shall be the Treasurer, President and Vice-President.

Section 7. Vacancies. A vacancy in the Board of Directors caused by any reason shall be filled by the President with approval of the majority of the remaining directors. The new director shall fill the balance of the term of the vacant position. The new director must be an owner of a unit of Association V.

Section 8. Removal of Directors. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by the requisite vote of other Association Members per ARS 33-1813. A successor may then and there be elected by the Association Members to fill the vacancy thus created. Any director whose removal has been proposed to or by the Association Members shall be given an opportunity to be heard at the meeting.

Section 9. Compensation. No compensation shall be paid to directors or officers for their services as directors or officers. No remuneration shall be paid to a director for services performed for the corporation in any capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. Neither a

director nor any officer may be an employee of the corporation. Directors and officers, however, may be reimbursed for any actual expenses incurred in connection with their duties as such officers or directors.

Section 10. Organization Meeting. The first meeting of a newly elected Board of Directors shall be called and held within ten (10) days after the election thereof at such place as a majority of such directors shall approve before such a meeting.

Section 11. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) such meetings, in addition to the annual meeting, shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, by electronic communication, telephone, or telegraph, at least three (3) days prior to the date set for such meeting. But Social-Media (e.g., Face-Book, Twitter, etc.) may not be used for notice of a regular meeting.

Section 12. Special Meetings. Special meetings of the Board of Directors may be called by The President or Secretary or by a majority of the directors, or a vote of at least 20% of owners, on a minimum of forty-eight (48) hours notice to each director, given personally or by mail, by electronic communication, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purposes of the meeting. Social Media (e.g., Face-Book, Twitter, etc.) may not be used for notice of a special meeting.

Section 13. Electronic Meeting. When in-person Board of Director meetings, either regular or special, cannot be held due to health or environmental reasons, the Board may use electronic means such as, but not limited to Zoom, for such a meeting. The Board shall post the time and method for such a meeting at least two (2) days prior to the meeting. The Board shall include with the notice instructions for Directors and Association members as how to participate in the meeting and the instructions shall be sent to all Association Members email messaging accounts. When a Director or Association member does not have email access, the instructions for participation in the meeting shall be sent to their cell phone text account or written instructions may be hand delivered.

Section 14. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting, at which a quorum is present, shall be the acts of the Board of Directors. A director may be determined to be present if that person is communicating by telephone or another electronic voice communication process or as described in Article IV Section 13, and

when all co-owners present can hear the communication between those Board members communicating electronically and those Board members physically or electronically present.

Section 15. Fidelity Bonds. The Board of Directors shall provide, through commercial insurance, a fidelity bond for all officers and employees of The Association who may be responsible for any Association Funds. The insurance shall be adequate to cover the total value of such funds.

Section 16. Powers and Duties. The Board of Directors shall have all powers necessary and shall be responsible for the administration of the affairs of the corporation and may do all such acts and things as are not by law, by the Articles of Incorporation or these By-Laws directed to be exercised solely by the Owners.

Section 17. Duties. Without limiting the generality of Article III Section 1, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the Association and the Common Elements and facilities.
- (b) Preparation of an annual budget and allocation of the budget to the various Units in accordance with the various percentage interests in the Common Elements appurtenant thereto.
- (c) Collection of monthly assessments from the Owners and the filing of liens and foreclosure thereof where necessary.
- (d) Employment and dismissal of the personnel necessary for the maintenance and the operation of the Association and the Common Elements and facilities.
- (e) Employment of a management agent at a compensation established by the Board of Directors to perform such duties and services as the Board shall authorize. The duties conferred upon the management agent by the Board of Directors may at any time be revoked, modified or amplified by a majority of the Board of Directors at a duly constituted meeting.
- (f) To make repairs within the Units where such repairs are necessary or required for the welfare or safety of the Association or residents.
- (g) To acquire an interest in Recreational Center, Inc. and to obligate this Association to pay its share of assessments levied by said Recreational Center, Inc. for the purchase, construction, development, operation, maintenance and management of recreational facilities for the Owners in this and other Associations; and to designate one of its members as a representative of this Association to attend and vote at all meetings of the Board of Directors and stockholders or members of Recreational Center, Inc. (known as RCI.) It is deemed

advisable that the Association President be designated delegate to the RCI Board. The Association Board shall appoint two additional members to be alternate delegates to perform the duties of the Association representative to the RCI Board when the primary delegate is unable to do so. The Association Board of Directors shall determine which of the alternate delegates shall be the first alternate Association representative and which shall be the second.

- (h) Obtain and keep in full force and effect fire and hazard insurance on the Association buildings and all common elements in the Association, and public liability and other insurance as deemed necessary and advisable by the Board. The insurance shall include a fidelity bond as described in Article IV-Section 17.
- (i) To grant or relocate easements required for the benefit of the Association.
- (j.) To adopt and amend rules and regulations and enforce the same covering the operation and use of all of the property and recreational areas in the Association. The Rules and Regulations shall be published on the Association public website, posted in a conspicuous place in each Association building and detail the fines or other remedies for enforcement of same.
- (k) To suspend, prohibit and restrain any Owner, or lessee of the Owner, who is delinquent in the payment of any assessments or who violates any of the rules, regulations, By-Laws, or Declaration from using all or any part of the recreational facilities furnished and provided by Recreational Center, Inc.

ARTICLE V

Section 1. Place of Meeting. Meetings of the Members shall be at the principal place of business of the corporation or at such other convenient place as may be designated by the Board of Directors. As described in Article IV, the meeting may be held electronically when health or environmental considerations preclude an in-person meeting.

Section 2. Annual Meetings. The first annual meeting of the Members shall be held as provided in the Articles of Incorporation. Thereafter, the annual meeting of the Members shall be held on a designated day in January unless health or safety issues prevent such a meeting.

- a. When the annual meeting cannot be held in January the board of directors shall determine a date for such a meeting as provided for in Article IV Section 14. This meeting shall be held before the RCI Annual Meeting. At the annual meeting there shall be elected by ballot a Board of Directors in accordance with the requirements of the Declaration and the Articles of

Incorporation and of these By-Laws. The members may also transact such other business as may properly come before them at the annual meeting.

Section 3. Special Meetings. Per ARS 33-1804B, a special meeting of the Members may be called by the President, by resolution of the Board of Directors or by a petition signed by a majority of Co-owners and presented to the Secretary. A meeting petition called by Co-owners must be presented either in-person or by postal mail, but not by any electronic methods. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice thereof.

Section 4. Notice of Meeting. It shall be the duty of the Secretary to mail, deliver or post a notice on each official bulletin board, or other public place, of each annual, regular open meeting or special meeting, stating the purpose or purposes thereof with the time and the place where it is to be held at least two (2) but not more than ten (10) business days prior to such meeting. As described in Article- IV an electronic meeting may be called.

Section 5. Adjourned Meetings. If any open meeting of The Board of Directors cannot be organized because a quorum of Board members does not attend, the Board Members who are present, either in person, or by an electronic communication process, may adjourn the meeting to a time when a quorum of Board members is able to attend. A new notice of the postponed or cancelled meeting shall be delivered or posted as provided for in Article-IV, Section 14 and Article V-Section 4 no later than 48 hours after the time of the original meeting.

Section 6. Recommended Order of Business.

- A. The recommended order of business for Regular Meetings of The Board is as follows:
- a. Roll call.
 - b. Reading of The Agenda if not posted with the meeting notice or presented in writing to meeting participates.
 - c. Reading of Minutes of the preceding meeting.
 - d. Report of The President
 - e. Report of The Treasurer
 - f. Reports of Committees.
 - g. Unfinished business
 - h. New business.

During any discussion that would lead to vote of The Board and result in expenditure or governing policy, Association Members shall be allowed to comment, but the Board may determine a reasonable time limit for such comments.

- B. The recommended order of business for the Annual Meeting is as follows:
- a. Roll call of Board Members
 - b. Reading of The Agenda if not posted with the meeting notice or presented in writing to meeting participants.
 - c. Roll Call of Owners
 - d. Reading of Minutes of the Preceding Annual Meeting.
 - e. Report of The Treasurer
 - f. Quorum count and certification
 - g. Election of members of The Board of Directors
 - h. Introduction of the Elected Board Members
 - i. Election of Officers of The Board.
 - j. Election of RCI Delegate
 - k. Election of RCI First and Second Alternate Delegates
 - l. Owners' questions

ARTICLE VI

Section 1. Assessments. All Owners shall be obligated to pay monthly assessments for Common Elements expenses under and in accordance with the Declaration of CC&R. Without limiting the foregoing, the assessment shall include the cost of maintenance and repair of the Common Elements, utilities, taxes and assessments if any, on Common Elements, and all other items necessary for the maintenance and operation of the Common Elements.

- a. There shall also be included in the assessments, reserves for replacements and impounds as required and the cost to the Association, by reasons of its obligations, to pay assessments to Recreational Center, Inc, for the purchase, construction, development, operation, and management of recreational facilities available to the Owners. Any assessments levied or collected which are in excess of the amount required for proper purposes shall be refunded or credited to Owners who paid such assessments when the Owner requests such a refund.
 - i. A proper purpose of excess assessments includes transfer to the hereinabove mentioned reserve account.
- b. With the acceptance of these bylaws, payment of monthly HOA assessments is due on the first (1) day of each month and considered late if not received by the principal office of the Association before close of business on the fifteenth (15) of each month. When either the first day of a month or the fifteenth day of a month falls on Saturday, Sunday or a Legal Holiday, the following business day shall be substituted as either the due date or late payment date as appropriate, but the late payment date shall be a minimum of the fifteenth day after the payment

due date. The Board may change the assessment due date and late payment date by a majority vote at the annual meeting and those payment date changes shall be published in the Rules and shall not take effect until the January of the year following such a meeting.

- c. Past due HOA assessments will be assessed a penalty of 10% of the amount owed for each month outstanding or another amount determined, from time to time, by The Board or Arizona Law.
- d. Owner account assessment payments shall be applied per ARS-1807 unless the owner directs otherwise in writing to the RCI accounting department. ARS-1807 states that payments shall be applied in the following order:
 - i. First to unpaid assessments
 - ii. Second to unpaid late payment fees
 - iii. Third to reasonable collection fees
 - iv. Fourth to unpaid attorney fees and costs associated with respect to unpaid assessments.
 - v. Fifth to other unpaid fees, charges, monetary penalties, interest and late charges associated with items d.i through d.iv.

Section 2. Impound. Each Owner shall pay to the Association at the time such an Owner purchases a Unit a sum equal to six (6) times the then established and existing monthly Common Elements assessments for such a Unit. Said sum shall be designated as an Impound Amount, and a record kept of the Unit, the unit owner's name, and the payment amount. Such sums may be used by the Association as working capital for the repair or refurbishment of Common Property, but not for any operating expenses or payment of the RCI assessment as defined in Article XXII, Section 22.7 of the Declaration of CC&R dated May 14, 2021 and Article VI Section 1 of these Bylaws. The Impound amount shall be refunded to the Owner upon the sale or transfer of their Unit less any amounts then due from said Owner to the Association or to RCI.

Section 3. Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of the common charges payable by the Owners to meet the common expenses of the Association, and allocate and assess such charges among the Owners according to the interests in the Common Elements appurtenant to their respective Units. The Board of Directors shall advise all Owners promptly in writing of the amount of such charges payable by each of them respectively and shall furnish copies of the budget on which such common charges are based to all Owners. A copy of the budget shall be furnished to any Owner's Mortgagees if requested in writing. The Board of Directors may levy a late penalty charge of any

Owner who fails to pay all or any part of their assessment on or before the due date as set by the Board of Directors.

Section 4. Maintenance and Repair.

- (a) Each Owner shall perform promptly all maintenance, repair and upkeep work within their own Unit as provided for in the Declaration.
- (b) In the event that an Owner fails to promptly perform repair a Unit, which when omitted, would affect the Association in its entirety or in a part belonging to other Owners and the Board of Directors shall determine that it is necessary to perform such repairs, the Board of Directors may enter such Owner's Unit and make such repairs as are necessary, provided, however, that such Owner shall first have been given a five (5) working day notice of the intention of the Board of Directors to make such repairs or some other time the Board may establish from time to time and publish in the Rules. In the event that the Owner fails to make such repairs within the required time period, the Board of Directors through their agents may make such repairs and levy an assessment for the costs thereof against the Owner and shall have a lien for all costs incurred against the Owner's Unit as provided in the Declaration
- (c) In an emergency as determined by the Board of Directors, The Board through their agents, may immediately enter such an Owner's Unit and make such repairs as are necessary and levy an assessment for the costs thereof against the Owner and shall have a lien for all costs incurred against the Owner's Unit as provided in the Declaration.
- (d) All the repairs of internal installations within any Unit, as provided for in the Declarations shall be at the Owner's expense. Any such repairs required which are outside of the Unit to be served thereby shall be at the expense of the Association as Common Element maintenance costs. Except as provided for in the Declaration, the Association shall repair wall and ceiling damage when performed by The Association in the process of repairing Common Property plumbing, electrical or the roof structure.
- (e) An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Element damaged through their responsibility as provided for in the Declaration.
- (f) An Owner shall not make structural, plumbing or electrical modifications or alterations in their Unit without previously securing written approval therefor from the Board of Directors.
- (g) The Board may require an Owner to provide a deposit of an amount established by the Board, and changed from time to time, for any structural remodeling or maintenance work on their Unit.

The deposit shall be refunded to the Owner upon completion of the work, less any amount necessary to repair damage to Common Property. The amount shall be published in the Rules.

(h) An Owner shall not make any modifications to Common Property, including but not limited to structures, plumbing or electrical elements without prior written approval from The Board of Directors. The Board may publish fines when such unauthorized modifications are performed by an Owner.

Section 5. Use of General Common Elements and Facilities. An Owner shall not place or cause to be placed in any Common Element any furniture, package(s) or objects of any kind. Such areas shall be used for no purpose other than for normal transit and, in the case of recreational facilities, for the normal and intended use of such recreational facilities. Delivered packages may be placed in the hallway adjacent to the Owner's unit for a maximum of two (2) days. The Board may publish fines for packages left in the hallway for more than two (2) days.

Section 6. Right of Entry. The management agent or any other person authorized by the Board of Directors shall have the right of entry into any Unit for purposes of inspection and making necessary repairs, alterations, installations, and maintenance to the Common Elements, including mechanical, electrical or services provided by the Association. That the request for such entry is made in advance and such entry is at a time reasonably convenient to the Owner. In case of an emergency, the right of entry shall be immediate.

ARTICLE VII

Owner Committee. The Board of Directors may request Owners to form committees as deemed appropriate in carrying out its purposes.

ARTICLE VIII

Corporate Seal. The Board of Directors may adopt a seal for the corporation. The use of a seal shall not, however, be necessary to the validity of any corporate act or signature.

ARTICLE IX

Amending By-Laws:

1. These By-Laws may be amended by a majority of Owners present and voting at any regular, annual or special meeting where notice of the proposed amendment is included in the call or notice of the meeting, provided that these By-laws shall not be amended in such a way, and no By-Laws may be added, which would be contrary to or inconsistent with the Declaration or the Articles of Incorporation. Voting shall be as defined in Article II-Section 2.
2. Proposed amendments to these By-Laws shall be presented in writing or email to Owners a minimum of thirty (30) days prior to the meeting at which the Owners are to vote.

ARTICLE XI

Rules and Regulations. The Board of Directors shall promulgate and adopt rules and regulations for the management of the Association and said rules and regulations shall apply to and govern the occupation of the various Units and of the Common Elements by the Owners and lessees, tenants and guests and all other persons occupying a Unit either as a resident or visitor.

ARTICLE XI

Section 1. Maintenance of Books and Records. The Board of Directors shall cause to be maintained at the principal office of the corporation complete books of account concerning all funds, assets and liabilities of the corporation. Such books of account shall be open to inspection upon the written demand of any Owner or Mortgagee for a purpose reasonably related to their interest as an Owner or Mortgagee of a Unit and shall be exhibited at any time when required at any meeting of the Owners by request of Owners holding 10% of the total votes of the corporation, as defined in Article II-Section 2. Such inspection may be made in person or by agent or attorney, and the right of inspection includes the right to make extracts or to perform audits. Demand of inspection, except at a meeting of the Owners, shall be made in writing upon the President or Secretary of the Board of Directors.

Section 2. Report to Owners.

- a. Annually, at least ten (10) days prior to the annual meeting, the Board of Directors shall cause to be prepared and sent to every Owner an annual report of the affairs of the corporation. The recommendation is to send out the annual report at the end of the year. Said report shall contain a review of the financial records of the corporation and shall be performed in accordance with generally accepted accounting standards. A copy of the report of such a review shall then be rendered to each Owner in addition to the annual report hereinabove required.
- b. In the year of acceptance of these Bylaws, at least ten (10) days prior to the annual meeting and every three years after, the Board of Directors shall have a compilation of the financial affairs of the corporation performed by a certified public accountant to generally accepted accounting standards. Such a compilation shall be included with the annual report as required in Section 2-a.

ARTICLE XII

Fiscal Year. The fiscal year of the corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XII

Section 1. **Animal Ownership:** Ownership of an animal must meet the requirements of Article 17.11 of the Declaration of CC&R.

Section 2. **Expenditures Without Board Approval:** Effective with these By-Laws no expenditure over \$2,500 may be made without approval of the majority of the Board or another amount that The Board, from time to time, may approve at an open, annual, or special meeting.

- a. When the hereinabove mentioned expenditure exceeds \$500 the expenditure must be approved by the President and Treasurer in writing or email. Such expenditures must be reported to the Board within ten (10) days in writing or email.
- b. Expenditures that do not exceed \$500 may be approved by the President, Vice-President or Treasurer individually and must be reported to the Board within ten (10) days in writing or email.
- c. When a Board approved project requires additional expenditure to successfully complete, the President and Treasurer may approve that expenditure in writing or email. Such an expenditure must be reported to the Board within two (2) days in writing or email and must formally be approved at the next open Board meeting.

Section 3. **Rental of a Unit:** Per Declaration of CC&R Article XVII Section 17.1; The buyer of a unit must own the unit for a minimum of one year before renting it out with the initial rental period being a minimum of three (3) consecutive months and any subsequent lease must be for a minimum of three (3) consecutive months.

Section 4. **Moving:** Effective November 7th 2012 Association V move-in charge is \$300 with \$200 refunded upon completion of the move, when no damage to Common Property occurs. Another amount may be approved by The Board, from time to time, at an open, annual or special meeting and published in the Rules. The refundable amount is to be paid separately.

Section 5 **Protection of Carpet:** Protective covering shall be placed over hall and elevator lobby carpeting during all move-in, move-out, remodeling or delivery to an Owner's unit requiring wheeled devices (e.g. hand truck). The Board may publish a fine and assess the cost of repair or replacement for any damage to any Common Property or Common Property carpeting caused by an owner, a lessee of the owner, visitor to the unit of the owner, a contractor employed by such an owner, or a contractor employed by a lessee of the owner, during the delivery process to such an owner's unit.

ARTICLE XIII

Maintenance Schedule: The Board shall create a maintenance schedule for all common property devices, building structure and materials. The schedule shall be reviewed at a minimum of yearly. The schedule shall be published as a Resolution.

- A. A minimum requirement of the maintenance schedule for each building should include the following items: Common property plumbing, building structure and common property building areas, common property lighting, common property carpet, air conditioning system, heating and hot water system, elevator, common property air handlers, clothes dryer vents that pass through the roof, the garage and garage deck, garage and garage deck drainage, garbage shoot, sump pump, common property plantings and garage deck landscaping, stairwells and halls.