

violation and further provided that the accused shall be given reasonable notice and the opportunity to be heard by the Board with respect to the alleged violation before a decision to impose discipline is reached. In a case in which monetary penalties are to be imposed, such penalties shall be according to a schedule of penalties related to specific offenses, which schedule shall be proposed by the Board and approved by the vote or written assent of a majority of the allocated votes in each class of Membership. Such penalties shall bear a reasonable relationship to the conduct for which the penalty is imposed and may only be imposed prospectively. All actions under this Article 9 shall comply with applicable statutes.

## ARTICLE 10

### Budgets, Financial Statements, Books and Records

10.1. Budgets and Financial Statements. Financial statements for the Association shall be regularly prepared, and copies shall be distributed to each Member of the Association, as follows:

10.1.1. A pro forma operating statement (budget) for each fiscal year shall be distributed not less than thirty (30) days before the beginning of the fiscal year.

10.1.2. A balance sheet as of the last day of the Association's fiscal year and an operating statement for such fiscal year shall be distributed within ninety (90) days after the close of the fiscal year.

As provided in the Declaration, and without limiting the foregoing, the Board may from time to time amend and adopt budgets without the consent of the Members and shall provide a summary of any such budget or amended budget to the Members not later than thirty (30) days after adoption of the same by the Board.

10.2. Fiscal Year. The fiscal year of the Association shall be as determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

10.3. Inspection of Association's Books and Records. The membership register, current copies of the project documents, financial statements, books of account and minutes of meetings of the Members, the Board and committees of the Board and the Association shall be made available for inspection and copying by Members of the Association, First Mortgagees and insurers or guarantors of First Mortgages or by their duly appointed representatives, at any reasonable time and for a purpose reasonably

related to their interests as Members, as First Mortgagees or as insurers or guarantors of First Mortgages, at the office of the Association or at such other place as the Board shall prescribe. Such inspection may take place on weekdays during normal business hours following at least forty-eight (48) hours' written notice to the Board by the Member, First Mortgagee or insurer or guarantor of a First Mortgage desiring to make the inspection. Any Member, First Mortgagee or insurer or guarantor of a First Mortgage desiring copies of any document shall pay the reasonable cost of reproduction. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association. The right to inspection by a Director includes the right to make extracts and copies of documents.

#### ARTICLE 11

##### Amendment to Bylaws

These Bylaws may be amended by the vote or written assent of Members representing a majority of a quorum of the allocated votes in the Association, provided, however, that the percentage of the allocated votes necessary to amend a specific clause or provision