

Adopted by the Membership on August 5, 2000

**BY-LAWS**  
**OF**  
**FOREST TRAILS-OVERGAARD HOMEOWNERS**  
**ASSOCIATION, INC. – UNIT ONE**

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**ARTICLE I**

**GENERAL; LOCATION AND CORPORATE SEAL**

**SECTION 1. Corporate Purpose.**

The Association has been formed for the purpose of serving as the non-profit Homeowners Association for Forest Trails Unit One Subdivision, pursuant to a Declaration of Restrictions recorded on June 13, 1984 with the County Recorder of Navajo County, Arizona, in Docket 739, pages 487-490; an Amended Declaration of Restrictions recorded on or about July 3, 1984 with the County Recorder of Navajo County, Arizona in Docket 742, pages 148-154 as Instrument No. 84-09468 and the Amended and the Restated Declaration of Covenants, Conditions and Restrictions recorded on January 3, 2000 (such documents, as amended and in effect from time to time, being hereinafter collectively called the “Declaration”).

**SECTION 2. Definitions.**

Terms used herein, which are defined in the Declaration, shall have the same meanings as in the Declaration. The term lot shall mean those parcels of land that were first sold by the Forest Trails Unit One developer and the four parcels formed from Track A for a total of 174 lots in Forest Trails Unit One. The term homesite shall apply to a lot or combination of two or more lots to make a single residence.

**SECTION 3. Application of By-Laws**

All present and future lot owners, tenants or other occupants of Forest Trails Unit One are subject to the provisions of these By-Laws. The ownership or rental of any lots in Forest Trails Unit One or the

use or occupancy of any of said lots will conclusively constitute acceptance and ratification by said owner, tenant, occupant or user of these By-Laws and their agreement to comply therewith.

**SECTION 4. Priority of Declaration**

The provisions of the Declaration and of the Articles of Incorporation shall have priority over these By-Laws, and any provision hereof which is contrary to or inconsistent with the declaration or the articles of Incorporation shall be void to the extent of such inconsistency.

**SECTION 5. Principal Office of the Association.**

The known place of business of the Association shall be its principal office.

**SECTION 6. Other Offices.**

The Association may also maintain offices at such other place or places, within the State of Arizona, as may be designated from time to time by the Board of Directors, and the business of the Association may be transacted at such other offices with the same effect as that conducted at the principal office.

**SECTION 7. Seal.**

A corporate seal shall not be requisite to the validity of any instrument executed by or on the behalf of the Association but, nevertheless, if in any instance a corporate seal be used, it shall be a circle having on the circumference the name "FOREST TRAILS – OVERGAARD HOMEOWNERS ASSOCIATION – UNIT ONE" and in the center thereof the terms "Arizona 2000".

**ARTICLE II**

**MEMBERSHIP AND VOTING RIGHTS**

**SECTION 1. Membership Characteristics.**

Membership in the Association shall be limited to record owners of equitable title (or legal title if equitable title has merged) of single family residential lots situated within Forest Trails Unit One subdivision as defined by the plat of record and where applicable by subsequent acts of conveyances creating and defining each single family residence lot. An owner of a lot shall automatically, upon becoming the record owner of a lot, be a member of the Association. If a lot is owned by more than one person or entity, the owners jointly own, share, use and enjoy the membership attributed to their lot.

The corporation named Forest Trails-Overgaard Homeowners Association, Inc. – Unit One is a not-for-profit membership corporation. Accordingly it is not comprised of shareholders but rather is owned, controlled, operated and consists of members acting under these by-laws. Each residential lot comprised within the subdivision entitles its owners to one membership to be shared, owned, used, and enjoyed between them. When two or more lots have been consolidated to constitute a single homesite, the resultant homesite entitles its owner or owners to two or more memberships (one for each lot). For purposes of elections and other voting a majority vote of the memberships present sufficient to constitute a quorum suffices to decide an election contest or to decide any other matter subjected to vote. To the extent that more than one person or entity owns a lot, each such person or entity is entitled to cast a fractional vote for that membership. The fraction to be used is that produced by using “one” as the numerator and the total number of owners of the lot as the denominator.

Ownership, whether solely or with others, of a single family residential homesite shall be the sole qualification and criteria for membership. The foregoing is intended to exclude as members, persons or entities who hold an interest in a homesite merely as security for the performance of an obligation.

The membership rights, powers, duties and obligations continue until such time as the person or entity no longer owns a residential homesite, or interest or share therein, within the subdivision. However, the membership may, by appropriate provision in these by-laws, suspend the powers, privileges and benefits of membership to those persons or obligations and who are hence not “members in good standing”. “Members in good standing” are those members that are performing the duties and obligations of membership.

Membership rights, whether held solely or with others, cannot be transferred, pledged or alienated in any way, except upon the sale or gift of the corresponding homesite, and then only to such purchaser, donee or donees, or upon transfer and succession, in whole or in part, of ownership by operation of law, including but not necessarily limited to descent and distribution by intestate succession, testamentary

disposition, foreclosure of a lien, or other legal process. Nothing in the foregoing shall be construed as purporting to limit or prohibit the ability of a member or co-owner of a membership to grant a proxy or proxies, nor as limiting or prohibiting the ability of a member or co-owner of a membership to make, constitute and appoint agents and attorneys'-in-fact, nor as limiting the powers of a conservator, or guardian or trustee appointed to act on behalf of and for the protection or benefit of a member or co-owner of a membership.

Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. The Association shall create and maintain a roster or record of those persons entitled to exercise and enjoy the rights and powers of membership, whether solely or with others. The burden is upon the member(s) to forward change of address information and to forward new successors to the Association. The Association has no duty to search title records to locate title transfers. The Association has the duty to close the roster at the time of the mailing of the final meeting notice. The Association shall record all transfers upon its books or records. The Association may, but is not obligated to issue membership certificates from time to time to those persons then entitled to exercise and enjoy, solely or with others, the powers, duties and obligations of membership.

**SECTION 2. Membership Appurtenant.**

Association Membership is appurtenant to and may not be separated from ownership, solely or with others, of the particular lot to which it corresponds.

**SECTION 3. Classes of Membership. DELETED**

**SECTION 4. Arrearages.**

The Board has the duty to demand payment in the event that the sums required by the Association to be paid by the last known owner or owners of record of a residential homesite are determined by its Board to be past due and unpaid for more than thirty (30) days following the service upon the person or persons owning the homesite. This demand addressed to the address adopted by the member or co-members owning the homesite. The member or co-members owning the homesite shall no longer, so long as defaults in performance of their membership obligations remain uncured, be entitled to the status under these by-laws as being holders of a membership in good standing. Delivery is assumed to be 10 days after mailing.

The address adopted by an owner of a homesite set forth on the face of the recorded conveyance may be used by the corporation in serving notice and demands upon the owner until such time, if ever, as the owner of the homesite provides the corporation with an alternative address and directs that notices and demands be sent to the alternative address provided.

In the event that duties or performance obligations required of the owners of a homesite by the Association acting through its Board remain unperformed and that such defaults or failures to perform acts reasonably required of them by the Board are determined by the Board to be defaults in failing to perform membership obligations uncured more than thirty (30) days following the service upon the person or persons owning the homesite of notice and demand for performance curing the defaults by certified mail postage prepaid addressed to the address adopted by the member or co-members owning the homesite, then the member or co-members owning the homesite shall no longer, so long as defaults in performance of their membership obligations remain uncured, be entitled to the status under these by-laws as being holders of a membership in good standing.

Persons or entities who have ceased to enjoy the status of being the holder or holders of a membership in good standing shall not be entitled to vote at meeting of the membership of the Association.

### **ARTICLE III**

#### **MEMBERS' MEETINGS**

##### **SECTION 1. Common Requirements of Meetings.**

There are two types of meetings – Annual and Special. The requirements listed below apply to both types of meetings.

Meetings of Members shall normally be held at such date, place and time as may be fixed from time to time by the Board of Directors, or in the absence of action by the Board, then at such place, date and time as may be fixed by either the President or the Secretary. In addition to the powers vested in the Board and these officers to convene an annual or special meeting of the members, the owners of homesites comprising not less than ten (10%) percent of the lots comprised within the subdivision may act to convene an annual or special meeting of membership and in so doing shall be entitled to fix the date, place and time for such a meeting. Action convening an annual or special meeting of members and

fixing the date, place and time of the meeting shall be evidenced by a written notice signed by the president or by the secretary or by the spokesperson or agent for the group of lot owners calling, convening and noticing the meeting. The location for any such meeting shall be within the geographical boundaries of Arizona. A specific description of the site for the prospective meeting shall be included in the notices of the meeting served upon the membership or in the duly executed waivers of notice of the meeting signed by the membership.

## **SECTION 2. Annual Meetings.**

Annual meetings of Members shall be held once a year at such date, time and place as designated by the notice of meeting. At the annual meeting Members in good standing shall elect Directors to fill any vacancies on the Board of Directors left vacant by death, disability, removal, abandonment or resignation and transact such other business, new or old, as may properly be brought before the meeting.

## **SECTION 3. Notice of Annual Meeting.**

Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each person holding, solely or with others, a membership, including those persons then holding a membership not in good standing, not less than ten (10) days nor more than fifty (50) days before the date of the meeting. Where there are more than one person or entity holding or owning a membership, and where the information available to the Association indicates that persons sharing ownership or a membership are husband and wife, or family members residing together, then it is sufficient notice to such co-owners to send a single notice in a single envelope addressed to the co-owners who are husband and wife or who are family members residing together. Such notice shall be given either personally or by first-class mail; provided that if such notice is to be by mail, it shall be deposited with the U. S. Postal Service at least twelve (12) days prior to the date set for the meeting. Notices of the meeting shall contain a reasonably accurate description of the purpose or purposes for matters that will be brought before the membership for a vote and for other matters.

The identities of those persons entitled to cast full or fractional votes for memberships shall be determined as of four o'clock in the afternoon two days prior to the scheduled meeting.

## **SECTION 4. List of Members.**

At least once a year the Secretary of the Association shall prepare and make a complete list of the Memberships, by lot number, entitled to vote at the meeting, or any adjournment thereof, showing the address and name of each Member, and such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and may be inspected by any Member present.

**SECTION 5. Special Meetings of Members.**

Special meeting of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of Members holding not less than one-tenth of all the Memberships entitled to vote at such meeting. Notices of the meeting shall contain a reasonably accurate description of the purpose or purposes for matters that will be brought before the membership for a vote or other considerations.

**SECTION 6. Notice of Special Meetings.**

Notices of Special meetings shall conform to the requirements for notices of annual meetings.

Business transacted at any special meeting of Members shall be limited to the purpose stated in the notice.

**SECTION 7. Quorum and Adjournment for all Membership Meetings.**

The persons holding the right to cast full or fractional votes representing, in whole or in part, at least twenty lots and being “members in good standing” then entitled to vote at the meeting, whether present in person or represented by proxy, shall constitute a quorum at all meetings of the members except as may be otherwise provided by statute or by the articles of incorporation of the association. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote at the meeting, present or represented by proxy, shall have power to adjourn the meeting to another time and place, without notice other than announcement at the meeting at which adjournment is taken, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the

adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to members at the meeting.

**SECTION 8. Majority Required for All Meetings.**

When a quorum is present at the meeting, the vote of the holders of a majority of the voting power present, whether in person or represented by proxy, shall decide any question properly brought before such meeting, unless the question is one upon which, by express provision of the statute, the Articles of Incorporation or another section of these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

**SECTION 9. Action Without Meeting.**

Any action required or permitted to be taken at any annual or special meeting of Members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed on behalf of all the holders of all of the Memberships entitled to vote with respect to the subject matter of the action.

**SECTION 10. Waiver of Notice.**

Attendance of a Member at a meeting shall constitute waiver of notice of such meeting, except when such attendance at the meeting is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Member may waive notice of any annual or special meeting of Members by executing a written notice of waiver either before or after the time of the meeting.

**ARTICLE IV**

**DIRECTORS**

**SECTION 1. Number.**

The number of Directors constituting the Board of Directors shall be at least three and no more than six. The number of directors between three and six shall be determined by the membership at its



annual meeting. The directors shall be elected at the annual meeting of members, except as provided in Section 3 of this Article. Half of the Directors elected at the annual meeting in the summer of 2000 shall hold office for terms of two years each, and the other half of the directors, or lesser number if there be an odd number of directors, shall hold office for terms of office. Each **direction** shall hold office until the term of office for his or her directorship expires or until his or her successor is elected and qualified. Directors must be members in good standing.

#### **SECTION 2. Removal.**

At any annual or special meeting of Members duly called, any one or more of the elected Directors may be removed with or without cause by vote of the majority of memberships.

#### **SECTION 3. Vacancies.**

Vacancies and newly created Directorships resulting from any increased in the authorized number of Directors may be filled by the affirmative vote of a majority of the remaining Directors then in office, though not less than a quorum, or by a sole remaining Director, and the Directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, unless sooner displaced. If there are no Directors in office, then an election of Directors may be held in the manner provided herein.

#### **SECTION 4. Powers and Duties.**

The business and affairs of the Association shall be managed by its Board of Directors, which may exercise all such powers by the Association and do all such lawful acts as are not by statute, the Articles of Incorporation, or these By-Laws directed or required to be exercised or done by the Members.

#### **SECTION 5. Other Duties.**

Without limiting the generality of Section 4 of this Article, the Board of Directors shall be responsible for the following:

- (a) Care and upkeep and, to the extent deemed necessary, the security of (i) Forest Trails Unit One and (ii) the areas thereof previously dedicated for purposes of, as directed by the Association, common recreation, drainage, public utilities and pedestrian access.
- (b) Collection of periodic assessments and such fines as may, from time to time, be authorized by the membership from the owners of residential homesites or their agents; including but not limited to, the filing of notices of claims of liens and foreclosure of liens arising in favor of the corporation under the recorded covenants, conditions and restrictions. A current list and description of the fines authorized by the membership shall be maintained by the Secretary of the corporation as a schedule and attachment to the official set of by-laws of the corporation kept and maintained by the Secretary.
- (c) Employment and dismissal of the personnel necessary for the maintenance and the operation of Forest Trails Unit One common areas, and the functioning of the Association.
- (d) To obtain and keep in full force and effect insurance policies, in such amount and such types as the Board deems appropriate, with respect to Forest Trails Unit One.
- (e) To grant or relocate easements as may be necessary to confer benefit on Forest Trails Unit One.
- (f) To adopt and amend rules and regulations and enforce the same covering the operation and use of all the property and recreational area of and/or in Forest Trails Unit One.
- (g) To open bank account on behalf of the Association and to designate the signatories required therefore.
- (h) To invest any excess funds held or controlled by the Association.
- (i) To enforce the restrictions contained in the Declaration.

The foregoing enumeration of specific responsibilities shall not be deemed to limit any other power or duty of the Board of Directors arising by law or under the Declaration, Articles of Incorporation or these By-Laws.

**SECTION 6. Place of Meetings.**

The Board of Directors of the Association may hold meetings, both regular and special, either within or without the State of Arizona.

**SECTION 7. Annual Meetings.**

The first meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of Members and in the same place as the annual meeting of Members, and no notice to the newly elected Directors of such meeting shall be necessary in order legally to hold the meeting, providing a quorum is present. In the event such meeting is not held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver of all Directors.

**SECTION 8. Regular Meetings.**

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board.

**SECTION 9. Special Meetings.**

Special meetings of the Board may be called by the President or Secretary on one (1) day's notice to each Director, either personally, or by mail, by telegram, or by telephone; special meetings shall be called by the President or Secretary in like manner and one like notices on the written request of two (2) Directors, where more than one (1) Director serves on the Board.

**SECTION 10. Quorum.**

A majority of the Membership of the Board of Directors shall constitute a quorum and the concurrence of a majority of those present shall be sufficient to conduct the business of the Board, except as may be otherwise specifically provided by statute or by the Articles of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the Directors then present may adjourn the meeting to another time or place, without notice other than announcement at the meeting, until a quorum shall be present.

**SECTION 11. Action without Meeting.**

Unless otherwise restricted by the Articles of Incorporation or by these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

**SECTION 12. Compensation.**

No compensation shall be paid to Directors for their services in such capacity. No remuneration shall be paid to a Director for services performed by him or her for the Association in any capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken. Directors may not be employees of the Association. Directors may, however, be reimbursed for any actual expenses reasonably incurred in connection with their duties as Directors.

**SECTION 13. Waiver of Notice.**

Attendance of a Director at a meeting shall constitute waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director may waive notice of annual, regular or special meeting of Directors by executing a written notice of waiver either before or after the time of the meeting.

**ARTICLE V**

**OFFICERS**

**SECTION 1. Designation of Titles.**

The officers of the Association shall be chosen by the Board of Directors and shall be a President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Vice-Presidents, and one or more Assistant Secretaries and Assistant Treasurers. Any number of offices, except the offices of

the President and Secretary, may be held by the same person, unless the Articles of Incorporation or these Bylaws otherwise provide.

**SECTION 2. Appointment of Officers.**

The Board of Directors at its first meeting after each annual meeting of Members shall choose a President, a Secretary and a Treasurer, from among the Board members and may choose one or more Vice-Presidents, each of whom shall serve at the pleasure of the Board of Directors. The Board of Directors at any time may appoint officers at the pleasure of the Board of Directors and to exercise such powers and perform such duties as shall be determined from time to time by the Board.

**SECTION 3. Compensation.**

No compensation shall be paid to officers for their services in such capacity. No remuneration shall be paid to an officer for services performed by him or her for the Association in any capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken. No officer may be an employee of the Association. Officers may, however, be reimbursed for any actual expenses reasonably incurred in connection with their duties as officers.

**SECTION 4. Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors at any time.

**SECTION 5. Chairman of the Board. DELETED**

**SECTION 6. President.**

The President shall preside at all meetings of Members and at all meetings of the Board of Directors. He or she shall sign all deeds and conveyances, all contracts and agreements, and all other instruments requiring execution on behalf of the Association, and shall act as operating and directing head of the Association, subject to policies established by the Board of Directors.

**SECTION 7. Vice-President.**

There shall be as many Vice-Presidents as shall be determined by the Board of Directors from time to time and they shall perform such duties as from time to time may be assigned to them. Any one of the Vice-Presidents, as authorized by the Board, shall have all the powers and perform all duties of the President in case of the temporary absence of the President or in case of his or her temporary inability to act. In case of the permanent absence or inability of the President to act, the office shall be declared vacant by the Board of Directors and a successor chosen by the Board.

**SECTION 8. Secretary.**

The Secretary shall see that the minutes of all meetings of Members, of the Board of Directors, and of any standing Committees are kept. He or she shall be the custodian of the corporate seal and shall affix it to all proper instruments when deemed advisable by him or her. He or she shall have charge of all the books and records of the Association except the books of account, and in general shall perform all duties incident to the office of Secretary of an Association and such other duties as may be assigned to him or her.

**SECTION 9. Treasurer.**

The Treasurer shall have general custody of all the funds and securities of the Association except such as may be required by law to be deposited with any state official. He or she shall see to the deposit of the funds of the Association in such bank or banks as the Board of Directors may designate. Regular books of account shall be kept under his or her direction and supervision, and he or she shall render financial statements to the President, Directors, and Members at proper times. The Treasurer shall have charge of the preparation and filing of such reports, financial statements and returns as may be required by law. He or she shall give to the Association such fidelity bond as may be required, by the Board or President, and the premium therefore shall be paid by the Association as an operating expense.

**SECTION 10. Assistant Secretaries.**

There may be such number of Assistant Secretaries as shall be determined by the Board of Directors from time to time and such persons shall perform such functions as from time to time may be assigned to them. No Assistant Secretary shall have power or authority to collect, account for, or pay over any tax imposed by any federal, state or city government.

**SECTION 11. Assistant Treasurers.**

There may be such number of Assistant Treasurers as from time to time the Board of Directors may fix, and such person shall perform such functions as from time to time may be assigned to them. No Assistant Treasurer shall have power or authority to collect, account for, or pay over any tax imposed by any federal state or city government.

**ARTICLE VI**

**FINANCIAL MATTERS**

**SECTION 1. Assessments.**

All owners are obligated to pay the annual and special assessments fixed by the corporation and authorized by the provisions of the Declaration to cover the Association's operating expenses and to create and maintain reasonable reserves against anticipated expenses and liabilities. Such assessments shall be determined by the corporation, acting through its officers, and shall be allocated equally by it among all lots in Forest Trails Unit One. The owners of a single residential homesite consisting of more than one lot as defined by the subdivision plat are obligated to pay an assessment for each lot and fraction thereof comprised within their single family residential homesites.

**SECTION 2. Budget.**

The Board of Directors shall from time to time, but not less frequently than annually, prepare a budget for the Association and determine the amount of the common charges payable by the owners to meet common expenses of the Association. 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 as based to all owners and to their Mortgagees, if requested in writing.

**SECTION 3. Assessments and Liens.**

The Board of Directors may levy a late penalty charge on any Owner who fails to pay all or any part of his assessment on or before the due date as set by the Board of Directors. The monthly and any

special assessments together with interest, late payment charges, costs of collection and reasonable attorneys' fees, shall be a charge on the land and shall constitute a lien upon the lot against which each such assessment is made. Such liens may be foreclosed by the Association in the manner provided or permitted by law for the foreclosure of mortgages in the State of Arizona. Each such assessment, together with interest, late payment charges, costs of collection and reasonable attorneys' fees, shall also be the personal obligation of each person who was owner of such lot at the time when the assessment fell due.

#### **SECTION 4. Procedure for Fines.**

##### **(a) Procedure for Notification -**

In the event that the Board determines that the owners of any lot comprised within the subdivision have not complied with the provisions of the Declaration (CC&R's). the Board, acting through the Secretary or such other agent as it may designate, shall give written notice to the owner(s) in default initially by Certified Mail and then subsequently by posting the written notice on the lot in the event that Certified Mail fails to notify the owner(s). The written notice/posting shall describe the default of the lot owners and/or the condition on the lot to be corrected by the owner or owners. The default or condition complained of shall be corrected within 60 days following the mailing/posting unless the owners ask the board for and receive an enlargement of the time for curing the default or correcting the condition.

Fines imposed under these By-Laws are the joint and several obligation of all persons or entities owning the lot or lots giving rise to the imposition of the fine, each owner owing to the corporation the entire fine although rights of contribution may exist among those persons who are co-owners of a lot giving rise to the imposition of a fine. In imposing and collecting fines, the corporation may collect in full from any owner of a lot and is not obligated to allocate the burden of payment among multiple owners of a lot.

##### **(b) Appeal Process -**

If notice from the Board is to be appealed, the owner shall submit to the Board in writing corrective plans proposing a remedy to the non-compliant condition and a projected date of completion. The Board shall approve or disapprove any plans submitted by the owner and set forth a reasonable plan for correction. In the event the condition is not corrected according to the approved plans and in the allotted time, the Board will proceed to implementing the Fine Process.

##### **(c) Fine Schedule -**



The Fine Schedule is shown in Attachment A of these By-Laws. The list and description of fines currently authorized and in effect shall be kept by the Secretary of the corporation with the current set of By-Laws.

**(d) Late Payments -**

As per section 16H of the Declaration (CC&Rs) all past due sums shall accrue interest as authorized by Arizona Revised Statutes 544-1201.

**ARTICLE VII**

**COMMITTEES**

The Board of Directors may appoint such committees of the Members of the Association and/or Board, as it may deem appropriate in carrying out its purpose. The Board of Directors shall in any event appoint an Architectural Committee to perform the functions contemplated by the Declaration (CC&R's). Said Committee shall consist of not less than three individuals.

**ARTICLE VIII**

**AMENDMENT**

These By-Laws, including Attachment A, may be amended by a majority vote of the members at any regular annual meeting or by majority vote at a special meeting when notice of the portion of the By-Laws proposed to be amended is included in the call or notice of the annual or special meeting provided that these By-Laws shall not be amended in such manner as would be contrary to or inconsistent with the current Declaration (CC&R's) or the Articles of Incorporation.

**ARTICLE IX**

**RULES AND REGULATIONS**

The Board of Directors shall promulgate and adopt rules and regulations for the management of Forest Trails Unit One and any common areas thereof, and said rules and regulations shall apply to and

govern the use and occupation of the various lots and of the common areas by the owners, any lessees, tenants and guests thereof and all other persons.

## **ARTICLE X**

### **FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year.

## Attachment A

### FINE SCHEDULE AND FINEABLE OFFENSES

**(a) Fine Schedule**

Failure to cure a default or condition within the 60 day period following mailing or posting of written notice - \$50.00.

Failure to cure a default or condition within the time period specified in any approved plan made by the Board in response to appeal by lot owners from a notice mailed or posted. - \$50.00.

For each additional month or fraction thereof following the expiration of the time periods set forth above – an additional \$100.00.

Liens arise when dues, fines and assessments, whether annual or special, become due and remain unpaid; however, in the absence of circumstances leading the Board to act sooner, it is anticipated that notice of the claim of lien will be recorded with the County Recorder when sums are past due six months or more. After recording of any notice of a claim of lien, the owner or owners of the lot shall, in addition to the amounts owed plus interest, become obligated to reimburse the corporation of all collection expenses. These expenses incurred include but not necessarily are limited to attorney's fees, recorder's charges, litigation expenses, reasonable investigation expenses and court costs. At any time after the recording of the notice of a claim of lien, the corporation may proceed to foreclose mortgages. In such event, the owner or owners of the lot shall, in addition to other collection expenses incurred, become obligated to reimburse the corporation for the cost of litigation, title guarantee title report with interest thereon from the date of the purchase of the foreclosure title report.

All past due sums shall accrue interest as provided for in Arizona Revised Statutes §44-1201.

(b) **Fineable Offenses** (not inclusive) (Section numbers refer to those in the Declaration)

- Failure to submit building plans to the architectural committee as per section 7A, 7B, and 7C.
- Not providing human waste disposal facility and refuse container during construction per section 21.
- Not completing the exterior of the building in the 6 months time frame as per section 6A.
- Unauthorized use of prohibited structure per section 8.
- Signs posted which do not meet requirements per section 6B.
- Failure to adequately screen tanks (gas, fuel oil) per section 9.
- Failure to keep lot clean of junk, debris, garbage and trash per section 11.
- Unauthorized vehicles parked on lot or street per section 13.
- Motor vehicles under repair or not in operating condition left on street or UN-garaged on lot per section 13.
- Greater than 4 vehicles parked on lot more than 16 days without Board approval per section 13.
- Noxious or offensive activity carried on at a building site per section 14.
- Unauthorized animals kept on property per section 12.
- Household pets unleashed or causing a disturbance which brings about complaints from 2 or more residents.

