

## BYLAWS

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**Article XIII Section 1 Records**


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(Current)

**Section 1**     **Records**       The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Open Space and any other expenses incurred by or on behalf of the Association. Such accounts and all other Association records shall be open for inspection by the Lot Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Lot Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Lot in the Development shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

(Proposed)

**Section 1**     **Records**       The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Open Space and any other expenses incurred by or on behalf of the Association. Such accounts and all other Association records shall be open for inspection by the Lot Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Lot Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be **reviewed** at least annually by qualified independent auditors; provided, however, that such need not be certified public accountants nor does such **review** need to be certified. Any institutional holder of a first mortgage lien on any Lot in the Development shall be entitled to receive a copy of such annual **review** financial statement within 90 days following the end of the Association's fiscal year upon request therefor. **An audit of the books shall be completed at least once every five (5) years.** The costs of any such **review or audit** and any accounting expenses shall be expenses of administration.

(Explanation)

**Section 4**     **Records**       The cost to obtain a financial audit is a burdensome expense. A review is similar to an audit with the exception that it does not include an opinion on the records by the CPA whereas an audit provides the association legal protection regarding misstatements or errors in the financial records. A review does not provide that same level of legal protection. The Association will be required to have an audit done at least once every five (5) years.