

**SHAREHOLDER GUIDEBOOK
FOR CO-OPERATIVE LIVING**

OF

CONSOLIDATED CO-OPERATIVES OF SCOTTSDALE EAST, INC.

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Note: This packet of guidelines and By-laws is current when issued. It is expected that over time there will be amendments, deletions and additions to this document. Copies of changes or additions are available at the Co-op Office. Any adopted amendments, changes or deletions will apply to all Co-op members and residents. **A POLICY CHANGE APPROVED IN A BOARD MEETING BECOMES EFFECTIVE IMMEDIATELY. IT IS THE MEMBER'S RESPONSIBILITY TO KEEP THEIR COPY OF GUIDELINES AND BY-LAWS CURRENT AND TO READ THE NOTICES AND MINUTES OF BOARD MEETINGS POSTED ON THE BULLETIN BOARDS. COPIES OF THE MINUTES ARE AVAILABLE IN THE OFFICE.**

INTRODUCTION TO LIVING AT CONSOLIDATED CO-OPERATIVES OF SCOTTSDALE EAST, INC.

Consolidated Co-operatives of Scottsdale East, Inc., was incorporated in 1968. The Corporation was established for the sole purpose of providing housing on a nonprofit basis.

Co-operatives are unique, different from other forms of housing, because they are owned collectively by their Members. Members are not tenants; they are joint owners of their own housing development, and are their own Landlords.

Membership in Consolidated Co-operatives provides the Member with the many advantages of home ownership without any mortgage liability and accompanying responsibilities. The most often cited advantage of co-operative living is economic. Co-operatives are founded on the premise that co-operation leads to better services at lower cost, and co-op charges are usually lower than those for similar rental units. Co-operators pay actual housing costs, not a Landlord's profit. Pride of ownership and sense of community also contribute to reduce housing costs. The contribution of Member skills in the maintenance and upkeep of the property reduce labor costs and add enhanced services for all to enjoy.

Co-operative housing offers its Members the opportunity to help determine the kind of community they will live in, the quality of services it will provide, and the way it will develop. Many Members see this degree of control over their housing circumstances as an even greater advantage than the continuing financial bargain in housing that Co-operatives offer. Members are urged to participate in the democratic management by donating time and effort to the various committees organized to assist in the smooth functioning of the community.

INDEX OF CO-OP POLICIES

GENERAL POLICY	Revised 4/18/07
BUILDING MAINTENANCE POLICY	Revised 5/16/07
BILLING AND LATE FEE POLICY	Revised 3/1/07
POLICY ON UNACCEPTABLE BEHAVIOR	Revised 5/19/05
POLICY REGARDING COMPLAINTS AND VIOLATIONS	Revised 10/25/00
VEHICLE PERMIT AND PARKING POLICY	Revised 5/19/05
PET POLICY	Revised 7/18/00
POLICY ON CHILDREN	Revised 11/18/04
ROOF MAINTENANCE POLICY	Revised 3/21/00
POOL POLICY	Revised 8/16/01
NOISE POLICY	Approved 12/9/86
LANDSCAPE POLICY	Revised 4/18/07
LOCKER POLICY	Revised 8/16/00
OFFICE POLICY	Revised 2/20/03
POLICY FOR TRANSFER OF MEMBERSHIP	Revised 10/21/95

Revised 5/16/07

GENERAL POLICY

1. Member will preserve and promote the co-operative ownership principles on which this Corporation has been founded, abide by the Charter, By-laws, Rules and Regulations of the Corporation and any amendments thereto, and by his or her acts of co-operation with its other Members bring about a high standard in home and community conditions. (Article XIII Occupancy Agreement).
2. The Occupancy Agreement accompanying the Membership specifies “Member occupied”. This means the Member is the owner and holder of one (1) and only one Membership in the Corporation as evidenced by the Occupancy and has a bona fide intention to reside in his/her Unit. At least one person in residence must be listed on the Occupancy Agreement. Other Occupants should be listed on the Occupancy Agreement attachment for safety reasons.
3. Members are prohibited from financing or pledging their Membership in the Corporation or their Occupancy Agreement as security or collateral in connection with any so-called “carry-back” or seller financing for the sale of a Unit. The transfer of Membership in the Corporation shall be deemed absolute and the Corporation shall not recognize any secured party as a Member of the Corporation as a result of any foreclosure or other action in connection with such financing.
4. The Manager must be notified in writing of any guest or other person who will visit for 30 days or longer. No Unit is to be used as a “hotel” while the Member is absent.
5. No Member at any time may sublease their Unit. Members who are found subleasing their Units will be subject to a fine at the Manager’s discretion of up to \$500.00 for illegal subleasing (Motion approved October 30, 1990). Any Occupant found to be subleasing will be given certified notice to leave the premises by the Manager. Occupant must leave by the five (5) days of receipt of notice.
6. Member agrees that the representatives of mortgagor, the Officers and Employees of the Corporation, and with the approval of the Corporation the employees of any contractor, utility company, municipal agency or others, shall have the right to enter the dwelling Unit of the Member and make inspections thereof at any reasonable hour of the day.
7. Co-op Employees are not in a position to show Units which are for sale or to act as brokers/agents in the transfer of Units. However, any Unit which reverts to the Corporation may be handled by the Manager when so directed by the Board.

8. Board meetings are held on the 3rd Thursday of the month. Members are encouraged to make inputs on general matters at the Members' Forum held at the end of the Board meeting. Members may speak directly to any discussion prior to a Board vote, All meetings of the Co-op (Member or Board) shall be conducted under parliamentary procedures as found in Robert's Rules of Order.
9. Emergency service is provided on a 24-hour basis. Bona fide emergency calls include broken water pipes, sewer backups, tripped electrical breaker switches and matters of a true health and safety nature. If a call is answered and determined to be a non-emergency then the Member requesting the call will be subject to a \$25.00 charge. A lockout after hours is not considered an emergency and is subject to the \$25 charge.
10. No person is allowed on the Co-op roofs at any time for any reason except maintenance Staff and persons with express permission from the Office.
11. For health and safety reasons the number of people residing in a Unit will be limited to the following:

studio apartment	1-2 people
one bedroom apartment	1-2 people
two bedroom apartment	1-4 people
two bedroom townhouse	1-4 people
three bedroom townhouse	1-6 people
12. Only the master television antennas owned and maintained by the Co-op are permitted on Co-op property. There are NO exceptions.
13. Satellite Dishes 18 inches in diameter or less may be installed in the Member's courtyard, balcony, balcony railing and terrace provided they do not extend out beyond the balcony or patio into what is considered to be a common area. The dishes must be properly grounded and Office approval given for placement of the dish.
14. Use of barbecue grills is not allowed within 10 feet of any building. There are no restrictions on electric barbecues.
15. The Co-op is not responsible for possessions damaged by fire, flood, or acts of God. The Co-op insurance does not cover personal property in the Unit. Members should carry condo insurance on the contents of their Unit and provide the Office with a set of keys to their Unit to allow entrance in case of emergency.

16. The garbage bins are to be used for garbage only. Large or heavy items of trash such as pieces of furniture, appliances, etc., are to be disposed of by the individual Member and not left inside or outside the dumpster. A \$75 fine will be assessed without warning plus costs of disposal.
17. Patios and Balconies must be kept neat and clean and are not to be used for storage.
18. Do not leave trash/garbage outside the Unit.
19. No outside clothes lines will be permitted except in the Townhouse patio/courtyard, and such lines shall not extend above and be visible over the courtyard walls.*
20. Signs or advertising will only be permitted on the bulletin boards located in the laundry rooms, except for Unit "For Sale" signs in windows. No notices are to be posted on the mail boxes.
21. Members may use deflective solar film barriers on windows in order to decrease energy costs. Other methods of interior controls, such as blinds, draperies, shutters. etc., may also be used. However, in no instance may aluminum foil, newspapers, styrofoam, garbage bags, flags, etc. be used.
22. Waterbeds are not allowed on the second floor of any building.
23. Nothing is permitted to be placed in front of, on top of, behind or beside the gas meters.
24. Violation of any Rules or Regulations will result in:

first offense:	warning
second offense:	\$75.00 fine
third offense:	\$150.00 fine
fourth offense:	\$300.00, turn over to Collection Agency, and/or cause for termination of Occupancy Agreement

***Note: Townhouse Courtyards are the walled in area with gate (formerly referred to as patios in previous minutes)**

BUILDING MAINTENANCE POLICY

A. General Policy Statement

Consolidated Cooperative of Scottsdale East is your home and you have the right to occupy and enjoy the Unit and common areas, taking in consideration the rights of others and your responsibility under the Occupancy Agreement and Policies of the Corporation. *It is important to remember that you did not buy real estate, but a membership in a housing cooperative.* The ownership of that membership entitles you to reside in a specific Unit, but you do not own the Unit itself or any of the real property it sits upon.

The Building Maintenance Policy clarifies your and the Corporation's responsibility to repair, maintain, and preserve the integrity of buildings. The Corporation's goal is to keep your housing at the lowest cost possible, maintain standards of good repair and workmanship, and maintain a sense of Community pride and ownership.

It is your responsibility to report any property in need of maintenance or repair to the Office immediately.

B. Exterior Maintenance

1. General: The Corporation is responsible for the maintenance of the original building exterior. This includes painting, caulking, repair and replacing heating and cooling units, signage, exterior light fixtures, walkways, stairways, railings, and roofs. The Corporation strives to create uniformity of the exterior of the buildings.

You cannot alter or modify the exterior structure in any way without the prior written approval from the Corporation (See Section D). You are responsible for maintaining additions and improvements such as apartment patio enclosures, or any structure or patio cover in townhouse courtyards at your own expense. The Corporation has the right to require, at your expense, the removal or reinstatement to its original state any unauthorized improvement or fixture at any time.

2. Doors: The Corporation will maintain and replace due to normal wear and tear all standard exterior doors and townhouse courtyard gates. It is your responsibility to replace the glass and/or locks on all doors, when necessary. If you upgrade any door, it is your responsibility to maintain and replace it. All doors must be of a standard color and appearance as determined by the Corporation to maintain a uniform appearance of the buildings. You must pay for the repair of any door that is not due to natural wear and tear; for example, if your door has been kicked in or has been forcibly opened.

- 3. Grills:** You are encouraged to use the barbecue grills provided in common areas. While there is no restriction on the use of electric grills in townhouse courtyards and on apartment patios or balconies, non-electric grills are not allowed within 10 feet of any building.
- 4. House Numbers:** The Corporation will repair and replace all Unit numbers. This is important for exterior security and uniformity of appearance. Non-standard house numbers must be approved by the Board as reflected in the Board Minutes or they will be removed.
- 5. Lighting:** The Corporation provides and replaces all exterior light fixtures and bulbs. This is important for exterior security and uniformity of appearance. Townhouse courtyards and apartment poolside lights are the responsibility of the Member.
- 6. Locks:** You are responsible for all entrance locks to your Unit and storage area lockers. You may purchase replacement locks from the Corporation.
- 7. Patios and Balconies of Apartments:** You are responsible for keeping your apartment patio or balcony neat and clean and uncluttered. The apartment patio or balcony must not be used for storage.
- 8. Roofs:** See separate Roof Maintenance Policy.
- 9. Sidewalks:** All sidewalks, entries and passageways outside each residence must be kept clear, unobstructed, and used for no other purpose than entrance to and exit from your Unit. For safety reasons, items obstructing walkways may be removed by the Corporation at any time.
- 10. Townhouse Courtyards:** You have a great deal of latitude in decorating your courtyard; however, placement of any trees, storage units, additions, covers, etc. must be pre-approved by the Corporation. The Corporation has the right to require, at the Member's expense, the removal or reinstatement to its original state any unauthorized addition, improvement, or fixture. You cannot use your courtyard as a storage unit and accumulate trash and debris that becomes a health or safety hazard or attractive nuisance for vermin or pests. To eliminate a potential termite problem storage units, additions, awnings, covers, etc. must be metal or like material or treated wood. You cannot have a shed extend more than twelve inches above the courtyard wall. A clothesline must not extend above or be visible over the courtyard walls.

11. Wall Decorations: You are allowed to attach decorations to the security door or townhouse gate of your Unit, such as a wreath. You must keep the decoration neat, clean, and in good repair. The Corporation will remove items attached to walls that are in disrepair. Message clips will be provided and maintained by the Corporation.

12. Windows, Screens, Awnings, Security Bars: You must maintain and repair all window glass, and awnings. Window washing is your responsibility. The Corporation encourages the exterior appearance of window treatments to be white or neutral in color, and requires they be in good repair. The Corporation will repair and replace standard screens and pay for parts under \$10.00. You may install wrought iron security bars on windows and security gates as patio enclosures with the Corporation's written approval. Security bars and gates must be of a standard color and appearance as determined by the Corporation to maintain uniform appearance of the buildings. All window awnings must be purchased through and approved by the Corporation.

C. Interior Maintenance

1. General: The Corporation is responsible for maintenance, repair, and replacement of the Unit's water heater and the Unit's heating and cooling system (HVAC System)>

You are responsible for the repair, maintenance, and condition of everything else inside of your Unit. You may paint, hang wallpaper, install drywall, paneling, mirrors, and pictures. You have a great deal of latitude in decorating your Unit.

You must report all plumbing problems and water leaks immediately.

You cannot alter or modify the interior structure in any way without the prior written approval from the Corporation. You must obtain Corporation approval to alter walls, electrical or plumbing systems, including installation of large appliances such as dishwashers.

The Corporation will provide labor for standard water line and standard plumbing repairs. You will pay for standard replacement parts costing \$10.00 or more as designated in this Section.

It is your responsibility to treat the Unit with due care and maintain the Unit in good condition with only normal wear and tear. You cannot use your Unit as a storage Unit and accumulate trash and debris that becomes a health or safety hazard or attractive nuisance for vermin or pests.

2. Bathtubs: You must pay for the resurfacing and/or replacement of your bathtub if caused by neglect or abuse.

3. Bathtub Surround: You must pay for the repair and replacement of your bathtub surround.

4. Carpeting/Flooring: You are responsible for the maintenance, repair, and replacement of all flooring in your Unit. Damage caused by the Corporation is discussed in Section #19.

5. Dishwashers: With Corporation approval, you may install a dishwasher in your Unit. You must pay for the installation, repair, and maintenance. You may have to pay for any water damage resulting from improper installation, operation or maintenance.

6. Electrical Outlets and Switches: The Corporation will repair electrical wiring, outlets, and switches. If replacement parts cost \$10.00 or more per work order, you must pay for them. It is your responsibility to have light fixtures and ceiling fans installed, repaired, and replaced.

7. Faucets: See **Plumbing**

8. Garbage Disposals: Garbage disposals are optional and available for purchase from the Corporation, and the Corporation will install these garbage disposals. Repair of your disposal (if repairable) is available through the Corporation.

9. Heating and Air Conditioning Units (HVAC System): The Corporation will maintain, repair, and replace heating and air conditioning systems and thermostats. You are responsible for replacing the furnace filter in your Unit every month. You can obtain free furnace filters from the Office.

10. Kitchen Cabinets and Vanities: You must pay for the repair and replacement of kitchen cabinets and bathroom vanities. If your Unit has original cabinets, the Corporation may repair them if they have parts available. If you replace kitchen cabinets or bathroom vanity, the Corporation requests that you contact the Maintenance Supervisor to see if the Corporation wants the old cabinets for spare parts.

11. Plumbing and Faucets: You must report immediately leaking or dripping faucets and any sign of water leakage. This will lower the Corporation's water bill and prevent serious water damage. The Corporation will repair all plumbing problems including garbage disposals and drain leaks. You will be billed for parts \$10.00 or more per work order.

The Corporation stocks some repair parts for Price Pfizer and Delta kitchen, bathtub, and bathroom fixtures/faucets. The Corporation will repair faucets; however, you must obtain any non-standard parts. If faucets cannot be repaired, you must pay for the replacement. You may purchase standard faucets from the Corporation.

12. Refrigerators: You must pay for the repair and replacement of your refrigerator.

13. Sinks: You must pay for the replacement and resurfacing of all sinks if damaged by neglect or abuse. The Corporation will repair original porcelain and cast iron sinks, if repairable.

14. Smoke Detector: You are required to have a smoke detector in your Unit and maintain it with working batteries, supplied by the Corporation. If you are in a townhouse, you must have a smoke detector on both floors. The Corporation will replace or repair smoke detectors.

15. Stoves: You must pay for the repair and replacement of stoves, unless your Unit has an original hard-wired electric stove. In that case, the Corporation may have certain replacement parts that you can purchase from the Corporation.

16. Toilets: Only indoor toilets and sinks are permitted. The Corporation will repair standard original toilets, if possible. If the toilet cannot be repaired, the Corporation will replace the toilet unless it was found to be damaged by neglect or abuse. You must report leaking and/or running toilets immediately. You must pay for standard replacement parts \$10.00 or more per work order.

17. Washers and Dryers: Washers and dryers are prohibited in apartments and the second floor of townhouses. If you live in a townhouse, you must pay for the installation, repair, and maintenance of your washer and dryer. You may have to pay for any water damage resulting from improper installation, operation, or maintenance.

18. Water Heaters: The Corporation will maintain, repair, and replace your water heater with a standard unit.

19. Window Treatments: It is your responsibility to pay for the installation, repair, and replacement of window treatments, curtain rods, shades, shutters, etc. You may not, under any circumstances, place aluminum foil, newspapers, styrofoam, garbage bags, blankets, sheets, flags, advertising or non-traditional coverings on/in the windows. We encourage the exterior appearance of window treatments to be white or neutral in color and require they be in good repair. You may install window tinting on windows in order to decrease energy costs.

20. Water and Unit Damage: The Corporation will repair or replace structural elements of your Unit damaged by water found not to be caused by your neglect. If liability rests with the Corporation, repair and replacements are limited to low grade carpeting, standard Corporation bathroom fixtures, standard tub surround, drywall, and vinyl tile. No bathroom carpeting will be replaced. You must pay for replacement upgraded materials. If the Corporation determines you were negligent in causing the damage or negligent in not reporting the leaks, you will have to pay for the total cost of the repair or replacement. You must contact the Corporation Office immediately when water damage is detected.

The Corporation will pay for any damage caused by the Corporation during maintenance repairs, but you must notify the Office of this damage within 72 hours of the incident.

D. Proposed Improvements or Renovations

You must obtain prior written Corporation approval to renovate, enlarge, alter, repair, or change the structure of your Unit. You must obtain prior written Corporation approval to erect, install, enlarge, alter, repair, remove, convert, or replace any electrical, gas, mechanical or plumbing of your Unit. The Corporation requires your request be in writing and accompanied by an accurate drawing or description of the proposed change(s) and the Corporation may require you to hire a licensed and bonded contractor. The Corporation requires any changes to exterior walls and interior load-bearing walls be made by a **licensed and bonded contractor** to safeguard the integrity of the buildings. If required, you must make application to the City of Scottsdale building official to obtain required permits. Placement of satellite dishes is considered an alteration of the structure of your Unit and must be approved by the Corporation.

The Corporation will require that any exterior modifications maintain the uniform appearance and standards of the Community buildings.

For termite prevention, the Corporation requires that when ground floor patios are enclosed, the floor is raised to the level of the adjacent room with concrete or treated wood (no untreated wood floor or steps).

Corporation approval must be by the Board of Directors. The Board of Directors has pre-approved certain standard modifications, so when you make your written request, the General Manager will determine if your request meets pre-approved standards, or if the modifications must be set for approval by the Board of Directors at their next regular meeting.

The Corporation does not pay for any remodeling of Units. If you or your contractor discover problems or defects during the remodeling process that are the Corporation's responsibility, the Corporation Maintenance Supervisor will arrange a time schedule with you or your contractor. Because of other priorities, this cannot always be arranged on a demand basis.

When you sell your membership or transfer to a different Unit, all alterations, additions, fixtures, and/or improvements in or to the dwelling Unit become the sole and exclusive property of the Corporation.

E. Prior Additions, Enclosures, Covers, Renovations

The Corporation has the right to require, at the Member's expense, the removal or reinstatement to its original state any unauthorized addition, enclosure, improvement, modification, or fixture. Notwithstanding this, prior to selling your membership or transferring to a different Unit, all additions, enclosures, covers, and modifications will be required to be brought up to current Corporation standards.

You are responsible for the repair and maintenance of your patio enclosure, patio cover, additions or improvements or any structure in the townhouse courtyards. If fallen into disrepair, the Corporation has the right to require its removal or repair at your expense.

F. Unit Inspections

The General Manager and the Maintenance Supervisor will annually inspect your Unit. Inspection includes, but is not limited to, the water heater, smoke detector, furnace filter, faucets, and kitchen and bathroom plumbing, including the toilet. Second floor balcony decking will be inspected. At the General Manager's discretion, other violations of the Building Maintenance Policy may be part of the inspection.

G. Extended Absences

If you are absent from your Unit, you must provide or arrange for periodic checks of your Unit. This is necessary to avoid damage from plumbing and other causes. Other than the annual inspection, the Corporation is not responsible for checking your Unit. The Corporation is not responsible for repairing damage to Units that occurs as a result of long absences, e.g. slow leaking pipes. You should check with the Office about recommended care of your Unit if you anticipate an extended absence.

H. Inspection before Membership Sale

The General Manager and the Maintenance Supervisor will inspect your Unit before the Membership is put up for sale and also before it is transferred to a new Member or Resident. Any items noted in the inspection must be repaired prior to membership transfer. Items reviewed on the inspection include, but are not limited to:

- **o** General Outside: outdoor water shut-off; hose bibs; sewer cleanout; patio area; patio enclosures; courtyard trees, improvements, modifications, sheds; landscaping; railings; approved modifications; outside light fixtures; patio porch vanity panels.
- **o** General Inside: smoke detectors, hot water heater and exterior vent, interior doors, closet doors, thermostat, furnace filter, vents, registers, fire and safety hazards, plugs, light fixtures, switch plates, walls, ceilings, floors, baseboards, windows, window hardware, screens, locks on windows, condition of drywall, approved modifications.
- **o** Doors: exterior doors, security door, arcadia door, courtyard door, screens, peepholes, weather-strips, and locks.
- **o** Kitchen: cabinets, shelves, drawers, guides, sink, faucet, plumbing, stoppers, garbage disposal, countertops, stove and gasket, refrigerator, stove hood, exhaust, water shut-off.
- **o** Bathroom: water shut-off, sink, bathtub or shower and surround and caulking, faucets, stoppers, faucet and stoppers, shower curtain rod or enclosure, medicine chest, toilet, tissue holder, vent fan.
- **o** Courtyard/outside Landscaping: trees, large shrubs, structures that should be removed.

• **I. Violations**

- If a violation of any provision of the Maintenance Policy is reported to the Corporation or discovered by the Corporation's inspections, the Corporation will do the following in accordance with the General Policies of the Corporation:
 1. The Corporation will send written notice of the violation to the Member, detailing the violation and giving the Member a time schedule to correct the violation (warning).
 2. If the violation is not corrected after the time stated in the notice, the Corporation will send a second notice demanding the violation be corrected and impose a \$75.00 fine.
 3. If the violation is still not corrected, the Corporation will charge the Member an additional \$150.00 fine.
 4. Finally, if the violation is still not corrected, an additional \$300.00 fine will be charged and legal action will commence for termination of the Member's Occupancy Agreement.
- All communication with the Member regarding violations shall be done in confidence and shall be sent by regular mail to the address on file in the Corporation Office. The General Manager shall determine the time allotted to correct the violation and may extend the time period if in the best interest of the Corporation.

BILLING AND LATE FEE POLICY

Carrying Charges

Monthly Co-op Carrying Charges are due the first of the month. Carrying Charges are to be paid by the Member of Record unless the Manager has approved other arrangements. Payments received by the close of business on the 15th day will be considered current. The Late Penalty on the Carrying Charge will be applied on the 16th day of the month. Billing statements will be generated around the 16th of the month for all outstanding balances due.

Delinquent Carrying Charges

When a Member's Carrying Charges, or any portion thereof, for any given month are not paid for a period of 60 consecutive days, said account shall be turned over for collection to the Co-op's Attorney. Any Late Penalty will be considered part of the Carrying Charges due for that month. Payment arrangements may be made at the Manager's discretion; however, if no payment is made or payments cease to be made said account shall be turned over to the Co-op's Attorney for termination of Occupancy Agreement under the terms thereof. Any payment made will first be applied to the unpaid balance. In accordance with Article XVII of the Occupancy Agreement, if a Member defaults in making a payment of Carrying Charges, or in the performance of observance of any provision of the Occupancy Agreement, and the Corporation has obtained the services of any Collection Agency or Attorney with respect to the defaults involved, the Member shall also pay the costs of the collection, suit or Attorneys fees, in addition to other aforesaid costs and fees.

Checks returned for insufficient funds

There is a \$25.00 charge for NSF checks returned on Carrying Charges. More than one such check in a 12 month period will result in cashier check or certified money order only being accepted for payment of monthly Carrying Charges for the next 12 months.

Work Orders

Invoices for work orders are billed when the work is performed. Invoices for work orders generated between the 1st and 20th of the month are due by the 1st of the following month (e.g., work order dated December 20 will be due January 1st). Invoices for work orders generated between the 21st and 30th/31st of the month will be due the 1st of the following month (e.g., work order dated December 29th will be due February 1st). Members will have 60 days to resolve any dispute regarding work orders.

Delinquent Accounts (Work Orders, Parking Fees, and Fines Levied BUT NOT Carrying Charges)

Any account (work orders, parking fees, and fines levied, but not Carrying Charges) over \$100 not paid by within 60 days will be turned over to a Collection Agency. Any account (work orders, parking fees, and fines levied, but not Carrying Charges) less than \$100 not paid within 60 days will be subject to an additional \$25 fine.

Member's Responsibility to contest errors in a timely manner

It is the Member's responsibility to investigate all charges on their account. If a charge is not contested within 60 days of the date it is incurred, the charge will be considered accepted by the Member and will not be revised.

Fines

Violation of any Rules or Regulations will result in fines as follows (as set forth in the General Policies and throughout the Red Book):

First Offense	warning
Second Offense	\$75.00 fine
Third Offense	\$150.00 fine
Fourth Offense	\$300.00, turn over to Collection Agency, and/or cause for termination of Occupancy Agreement

**REVISED MONTHLY ASSESSMENTS
and PENALTIES**

Effective 4/1/06 (as required by AZ Planned Communities Act)

Unit Size	Monthly Fee due 1st	Late Penalty applied 16th
Studio	\$179.	\$18.
1-Br Apt.	\$201.	\$20.
2-Br Apt.	\$231.	\$23.
2-Br TH	\$239.	\$24.
3-Br TH	\$258.	\$26.

The assessments are extremely low compared to payments for comparable units available in the local area.

The Occupancy Agreement signed by incoming Members allows for charges to cover the additional expenses for the handling of delinquent payments to cover the expense so incurred, the loss of the use of the money due and possible inability of the Corporation to meet financial commitments.

Therefore, effective April 16, 2006,

any account \$25 or above delinquent two months (over 60 days) will be referred for legal attention, which will include the cost of legal correspondence added to the current delinquent indebtedness.

POLICY ON UNACCEPTABLE BEHAVIOR

ABUSIVE BEHAVIOR/HARASSMENT

Members and other Residents shall not engage in any abusive or harassing behavior, either verbal or physical, or any form of intimidation or aggression directed at other Members, Residents, Guests, Occupants, Invitees, or directed at Management, its agents, its Employees or vendors.

VERBAL ABUSE

1. Any Member or Resident who verbally abuses/threatens Co-op Staff will be banned from direct contact with Co-op Staff for six months. During the six month period written correspondence will be the only form of communication acceptable. At the end of the six month period contact may be resumed with the Office.
2. Any Member who continues abusing fellow Members and Co-op Staff will provide grounds for the termination of the Occupancy Agreement for noncompliance.
3. Any Member who does not leave the Office upon request of the Manager will be escorted out by the Police, if necessary, and a Police report filed. All Police records will be filed in the Member's file.

POLICY REGARDING COMPLAINTS AND VIOLATIONS

1. Complaints made by one Resident regarding another Resident, if made verbally to the Office, must be followed by that complaint in writing. This statement will be kept confidential and on file.

2. Procedures for filing complaints:
 - A. Members should file a written complaint with the Office stating the following:
 - (a) name of violator(s)
 - (b) rule(s) violated
 - (c) any additional information relevant to the complaint
 - (d) date of infraction
 - (e) signature of complaining party or parties.
 - B. Upon receipt of a written complaint, the Office will determine the validity of the complaint.
 - C. If the complaint is deemed valid, the Office will send a letter of warning (“certified-return receipt requested”).
 - D. A subsequent complaint, which may be from a different Member than the original complaint, may, at the Manager’s discretion, result in fines in accordance with the General Policies.
 - E. In some cases multiple complaints are not necessary before the Board/Office may begin review and consideration of cause for termination of the Occupancy Agreement or Membership in the Co-op.

3. If the problem continues in defiance of a Member’s peace and comfort, eviction action will be considered and pursued when deemed necessary, as the offending Member will be in violation of his/her Occupancy Agreement and the spirit of the Co-op.

4. A complaint or violation brought before the Board of Directors and ruled on by the Board shall be considered settled. If, however, an appeal is made upon presentation of new evidence, the matter may be discussed one more time by the Board in a closed session. The ruling made at that time is irrevocable.

5. All parties concerned with the complaint have the right to request a hearing before the Board of Directors.

VEHICLE PERMIT AND PARKING POLICY

Definition of a vehicle: car, small truck, van, motorcycle, or any motorized vehicle.

Note: Trailers, boats, RVs, duellys, cab-over campers, large commercial vehicles or any recreational vehicles are not permitted to remain in the parking areas.

1. Vehicle permits are issued to each Member upon moving into the Co-op, allowing for one assigned covered parking space to each Unit. There will be a maximum of two permits per Unit if more than one driver resides in a Unit, but only one of those may be used in the designated space and the other must park in a non-covered space.
2. The annual fee for a covered parking place is \$25.00 for the first vehicle and \$10.00 for an additional uncovered parking place. A Resident without a car may use the permit on a “temporary” hanger for visitors.
3. A copy of the current vehicle registration must be submitted, as proof of ownership, at the time of payment of the annual fee, and recorded in the Office. Vehicles must have current license plates and registration. Permits will not be issued for temporary registration. Members who drive Company vehicles may purchase a permit by showing current registration and proof of insurance at the Manager’s discretion.
4. Permits must be affixed only to the lower right front window of all vehicles except motorcycles. Motorcycle permits will be put on a clear plastic hanger.
5. The Owner of the vehicle must be listed as a Resident on the Occupancy Agreement or attachment. The Driver of a Company vehicle must be listed on the Occupancy Agreement or attachment thereto.
6. Permits cannot be transferred from one vehicle to another. If during the permit year the vehicle is sold, stolen or wrecked a Member must register any new vehicle. The old vehicle will no longer be allowed in the parking area unless re-registered. The old permit (or parts of) must be turned in for the new permit if possible.
7. Temporary parking permits for guests/visitors may be obtained for the fee of \$5.00 and are valid for two weeks. They can be obtained during Office hours. A description of the vehicle must be recorded at the Office. Temporary permits must be visibly displayed by hanging them on the windshield mirror.

8. Vehicles violating the Permit Policy, having no permit and parked in a covered or uncovered parking space will be **TOWED IMMEDIATELY WITHOUT WARNING**. The vehicle Owner is responsible for recovering his/her vehicle and paying all towing and impound charges, not the Co-op. If a stickered vehicle is parked in the wrong or a different space than that assigned, it will be towed **ONLY** on request of the space owner.
9. Motorcycles may be parked in covered parking with a \$25.00 permit, or in uncovered or un-numbered spaces with a \$10.00 permit. Motorcycles must **NEVER** be parked on sidewalks, in corridors, on patios, or inside Units.
10. Major overhauls or other major repairs and the changing of any fluids other than water is **STRICTLY FORBIDDEN** on Co-op property. If oil leaks are visible on space surface, Owner must put a pan under the leak to catch the oil. Oil Soil or Kitty Litter or other absorbent material should be used, and changed weekly or bi-weekly, to prevent damage to the surface of the parking lots. If the space surface is uncared for, the Office will issue a warning ticket, following by a \$50.00 fine, and any additional fines as necessary. A major leak must be repaired within 10 days. If Resident's car is being repaired off property, any leased or rented vehicle may be parked in the designated space with a temporary permit (at no charge) available at the Office.
11. Flat tires and other minor repairs must be fixed within 72 hours to put vehicle back in running condition. A vehicle not in running condition may be towed after one warning. Proof that a vehicle is in "running condition" is the Resident's responsibility, not the Co-op's. In case of dispute, the Resident must drive the vehicle to the Office, as sufficient proof that the vehicle is in running condition. This demonstration must be made within 24 hours of a violation citation to be valid, or towing will follow.
12. Uncovered handicapped parking spaces are unassigned, for the use of handicapped Members with valid handicapped plates or cards only.

PET POLICY
(Pet Rules apply to all Pets)

HAVING A PET IS A PRIVILEGE NOT A RIGHT. CONSOLIDATED CO-OPS GRANTS YOU THE PRIVILEGE OF OWNING A PET ON THE PROPERTY. PET OWNERS HAVE A RESPONSIBILITY FOR THE CARE AND THE BEHAVIOR OF THEIR PET. PET OWNERS SHOULD POLICE THEIR FELLOW OWNERS SO ALL PET PRIVILEGES ARE NOT REMOVED IF THE MEMBERS AT LARGE VOTE TO WITHDRAW THE PET PRIVILEGE. PETS HAVE USED THE EXTERIOR GROUNDS AS LITTER BOXES, LEAVING PET WASTE OR SPRAYING DOORS. PETS DO NOT SIGN THE OCCUPANCY AGREEMENT. MEMBERS DO. ANY MEMBER WHO CANNOT CONTROL THE BEHAVIOR OF THEIR PET WILL BE WARNED, FINED, OR WILL EITHER HAVE TO REMOVE THE PET, OR BOTH THE MEMBER AND THE PET WILL HAVE TO GO.

1. There is a TWO pet limit per Unit.
2. Allowable Pets: Most dogs and domestic cats (providing they meet the weight restriction), small birds, fish, rabbits, gerbils, hamster and turtles.
3. Forbidden Pets: Any form of pit bulls, rottweilers, chows, staffordshire terriers, bull terriers, doberman pinschers, huskies, hybrid wolves or any mixture thereof, and venomous reptiles.
4. Any pet not listed in 2. above is subject to Board approval. NO EXCEPTIONS.
5. Effective as of May 18, 2000, there is a thirty-five (35) pound maximum weight limit on NEW pets.
6. New Members will be required to pay a \$200.00 Pet Fee for unneutered cats and dogs. At such time as they are able to prove that their pet has been neutered they shall be refunded \$100.00.
7. Collars and IDs are required on ALL dogs and cats. Any animal found on Co-op property without any identification will be deemed a stray and turned over to the Humane Society. Identification tags should have the Owner's name and Unit number.
8. Each Member is responsible for complying with all applicable State, City and County Requirements with respect to licensing and vaccinations. Management shall request proof of all such inoculations at time of initial registration and annually thereafter.

9. Dogs shall be confined within an enclosure on the Owner's property or secured so that the dog is confined entirely to the Owner's property. When not on the Owner's property, the Owner or Custodian of a dog must at all times restrain and control the dog by securing it with a leash. **NO ANIMAL SHALL BE TIED UP OUTSIDE A UNIT.** No dog shall be permitted to be or remain at large. A dog is not at large if it is restrained by a leash, of not more than six (6) feet in length. All dogs over the age of four (4) months shall wear a collar or harness to which is attached a valid license tag and identification tag at all times when the dog is off the premises of the Owner. (Sec. 4-39 Revised City Code of Scottsdale, A.R.S. Sec. 24-370).

10. All cats shall wear a collar or harness to which is attached an identification tag. Cats are not allowed to wander the property without their Owner. If a cat Owner wishes to allow their cat to be outdoors for a short time, the Owner must be with the cat while outside. If a cat wanders beyond the Unit property line (where your Unit ends/the neighboring Unit begins), the cat must be retrieved by the Member or Pet Owner. **THERE WILL BE NO EXCEPTIONS.** Cat Owners must pick up after their cat. Any Resident cat reported wandering the property and not wearing a collar will be considered in violation of two pet rules resulting in an immediate fine with no first warning.

10. Animals are NOT allowed in any public rooms (Office, laundry, pool areas).

11. No animal will be allowed in the children's playground areas, including Camelback Green, since animal waste constitutes a health hazard. Any person walking a pet on the Co-op property is required to clean up after the pet IMMEDIATELY. Pooper-scoopers are available in pet supply stores. Pets are to be walked on the outer perimeter or designated areas only and NOT in any playground area or pool area. (Sec. 4-19 of the City of Scottsdale Municipal Code).

(Sec. 4-18 (1) Revised City Code of Scottsdale and A.R.S. Sec. 24-361 and 376 provides that any person owning, possessing, harboring or having the care, charge, control or custody of any dog shall immediately remove and thereafter dispose of any fecal matter deposited by the dog on public or private property, unless the property owner has given prior approval to use the property for the purpose. The dog fecal matter shall be immediately placed in a closed or sealed container and thereafter disposed of by depositing said matter in a trash receptacle, sanitary disposal unit or other closed or sealed container. This subsection shall not apply to blind persons accompanied by a dog used for their assistance.)

12. Breeding of pets is FORBIDDEN.

13. Prolonged dog barking will not be allowed if the noise is annoying to other Residents. Pets are NOT to be left on enclosed/unenclosed patios when no one is home.
14. Pets visiting Members must abide by Co-op rules. These pets must be reported to the Office to avoid fines. See General Policies Section 4. Member/Resident must file a pet sitting/visitor statement and bring in pets for photo ID. There is a two week limit for visiting pets. Any extension must be put in writing with the reason for the extended stay, pay a \$50.00 refundable pet deposit and receive Manager's approval. Complaints against visiting pets will result in fines. The 35-1b weight limit applies to visiting pets.
15. Food may NEVER be left outside of Units. Doing so attracts roaches, crickets, rodents and other animals and constitutes a nuisance. Do not feed the birds (only humming bird feeders allowed). Bird droppings constitute a health hazard.
16. No pet doors in apartments.

POLICY ON CHILDREN

1. Children will not be allowed to play or congregate in the breezeways and stairs between the apartments. Children are never allowed on the roofs.
2. The Co-op has no problem with children congregating on the lawns at the ends of the buildings provided these groups are limited to four (4) people and not engaged in boisterous activities (games). Noise must be kept to a minimum.
3. Playground equipment is provided in selected locations for younger children. Children are urged to play in these areas. The grassy Camelback Mall and the basketball court area are the only places for group sports such as ball games and other boisterous activities.
4. Bicycle riding, skateboard riding, roller skating, etc. are not allowed in the corridors of the apartment Units. Skateboard riding is not allowed anywhere on the Co-op grounds.
5. Parents are responsible for the conduct and behavior of their children, and must not allow them to run wild and unsupervised or to disturb other Members. Where there are children there will be a certain level of noise; it cannot be avoided.
6. Vandalism is an unnecessary Co-op expense. Parents are responsible for the expense of the repairs due to vandalism caused by their children.
7. Parents of children who disobey rules and where adequate proof of their culpability is available will be given one (1) warning, fined \$25.00 on the next occurrence, \$50.00 for each occurrence thereafter.
8. See Pool Policy Regarding Children.

ROOF MAINTENANCE POLICY

1. All roofs will be inspected twice per year, in April and October.
2. Suspect areas will be evaluated and reported to a roofing company qualified to work with Modified Bitumen roofing material (see note below).
3. Areas where the coating has deteriorated will be scheduled for re-coating.
4. Entire roof coating will be monitored for deterioration and completely re-coated as, and when, necessary.
5. During inspection, foreign objects will be removed and any overhanging branches will be cut back.
6. No person is allowed on the Co-op roofs at any time for any reason except maintenance staff and persons with express permission from the Office. This includes in-house maintenance staff, management, roofing contractors and HVAC contractors.
7. **Only** antenna systems installed by the Corporation shall be placed on roofs.

Note: In the 1986-87 time frame Roof-Top Engineers installed new roofs on all seven complexes. They applied a Modified Bitumen material made by Dibiten. In 1996 Schuller bought Dibiten. Schuller sells Modified Bitumen roofing under the name Johns Manville (1-800-654-3103).

POOL POLICY

1. Since **NO LIFE GUARDS** are provided, Members are responsible for their own safety, and that of their children while using pool facilities. **NEVER SWIM ALONE.**
2. Our pools are **NOT DIVING POOLS** and should not be used as such, either from the side of the pool or from any structure.
3. Pool Gates must be kept locked at all times. Gates may not be propped open for any reason. Not only does this damage the hinge mechanism, but it is a **SERIOUS SAFETY HAZARD** which could allow unsupervised non-swimmers into the pool.
4. Members may **NOT** leave their key in the gate lock for the convenience of their own party going in and out. Keys found in the locks will be removed.
5. Bathing attire only. **NO unhemmed cut-offs** or street clothes allowed. Hemmed cut-offs used for swimming purposes only will be allowed.
6. Pool hours are unlimited. Noise must be kept to a minimum, especially after 10:00 p.m. week nights, and midnight on Fridays and Saturdays.
7. Parents are responsible for the conduct and behavior of their children, and must not allow them to run wild and unsupervised or to disturb other Members. Where there are children there will be a certain level of noise, it cannot be avoided.
8. Children must wear bathing apparel in the pool. Infants/toddlers in diapers must be securely diapered with rubber pants that fit snugly at legs and waist.
9. Children under fourteen (14) years of age are not permitted in pool area without Adult (a person over 18 years of age) supervision.
10. All guests **MUST** be accompanied by an Adult Resident over 18. Guests will be limited if their presence interferes with the use of the pool by other Members. Members are at **ALL TIMES** responsible for the actions of their guests.
11. No food or glass containers in the pool areas. Drinks must be in unbreakable containers. All debris must be cleaned up completely. Please use ash trays. **THERE WILL BE A FINE OF \$200.00 FOR ANYONE WHO IS CAUGHT WITH A GLASS CONTAINER OR GLASS OF ANY KIND IN THE POOL AREA.**

12. No running, shoving, dunking, excessive noise or rough play is allowed. No floats or pool games allowed when their use will interfere with other Members' normal use of the pool.
13. No one who has an open sore or who is wearing a bandage will be allowed in the pool if doing so constitutes a possible health hazard. Only water proof sun tan lotion is allowed for pool use.
14. Restrict use of lotions, hair sprays, etc. Before entering the pool, remove hair pins and barrettes.
15. The Co-op is not responsible for items left in the pool area.
16. Members are responsible for helping to keep the pool area in good order.
17. Pool patio area use is restricted to Members and their guests. Members are at all times responsible for the action of their guests. Should at any time, one Member's use of common area ground be restricted due to the presence of another Member's guests, the guest(s) will have to be asked to leave.
18. Pets are not allowed in the pool or pool areas at any time.
19. Violation of any Rules or Regulations will result in:

First offense	warning
Second offense	\$75.00 fine
Third offense	\$150.00 fine
Fourth offense	\$300.00, turn over to Collection Agency and/or cause for termination of Occupancy Agreement

NOISE POLICY

1. All Members are responsible for any disturbances caused by themselves, their family, guests or pets that interfere with the right of privacy, comfort or convenience of other Members, day or night.
2. The playing of any musical instrument, radio or television should be restricted so as not to disturb any other Occupants. If your noise can be easily heard by your neighbors, it is too loud!
3. Loud noises (verbal exchanges, party celebrations, radio, television, stereo, etc.) must not be heard outside the Member's Unit.
4. Only after having spoken with the upstairs Resident should first floor complaints of unusually heavy footsteps and excessive traffic overhead be brought to the Management's attention.

LANDSCAPE POLICY

1. Co-op Members are encouraged to create a neat and cared for appearance around their Units. Appropriate greenery and flowers are welcomed. There is a list of low for maintenance/low water usage plants recommended in the Office. Members should refer to this list when considering any plantings. Trees planted in the open patios of the Townhouses (pool side) must be kept below the eaves and branches should be trimmed back from the windows (including Rubber Trees). Scottsdale's Crime Free Multi-Housing Program requires that plants be kept below window sills, and bushes (i.e. oleander) over 5 ft be trimmed up from the bottom 2 to 3 ft. in order to see someone's feet. Trees require a 6 to 8 ft. clearance so you can see someone standing underneath.
2. Planting restrictions include:
 - (a) palm trees - expensive maintenance, dangerous to trim, etc.
 - (b) mulberry and olive trees - health reasons.
 - (c) catclaw - harmful to structure.
3. Hedges will be trimmed and maintained at windowsills level on the first and second floors, for safety and general appearance.
4. Red/pink ribbons on greenery are a flag to the landscapers not to trim greenery as the member has accepted that responsibility. Ribbons may be obtained at the office.
5. Ivy (all vines) trained along the walls will be kept below six (6) feet tall. Under no circumstances will ivy or other climbing plants be permitted to grow into eaves and walkways. Ivy is not permitted in the corridors (Minutes of July 18, 1996).
6. Board approval is required **PRIOR** to the planting of any trees on any Co-op property, including apartment corridors and Townhouse patios and front areas. No tree will be approved for planting in areas where there is potential for structural/property damage, interference with plumbing/sewer lines, or any other perceived difficulties.

All plants and trees in the enclosed townhouse courtyard areas are the responsibility of the townhouse Member. The townhouse Member is required to trim, prune or remove trees and/or bushes at Member's expense so the structural integrity of the buildings and the aesthetic appearance of the courtyard is maintained. All trees that are removed, whether initiated by the owner or the Co-op must be pre-approved by the General Manager. The Co-op requires that tree removal contractors be bonded and licensed. If necessary the Co-op will arrange for tree removal and require the Member to pay the expense.

7. The Office will inspect a Unit before the Membership is put up for sale and before it is to be transferred to a new Member (Resident). Any damaged property noted in the inspection must be repaired prior to any listing for sale. Trees in the townhouse courtyard which are causing damage must be removed prior to any listing for sale.
8. All stepping stones and walkways must be recessed so the top is no higher than ground level.
9. Nothing shall be constructed or placed upon the common wall nor any item protrude more than a foot above the common wall.
10. Palm Trees in the courtyard of a Townhouse are the responsibility of the Member and must be maintained. The Co-op will trim the Palm Trees and bill the Member (Minutes dated July 2,1998).

LOCKER POLICY

1. Storage lockers are available for a rental fee of \$5.00 per month. The Co-op is not liable for any loss, destruction, theft, or damage to property stored therein. No combustible or hazardous materials are to be stored in the lockers.
2. A maximum of one locker will be assigned to any Unit in the Co-op.
3. Members who wish to be assigned a locker must place their names on a waiting list in the Co-op Office. The Office will record the date that their names were placed on the list.
4. Available lockers will be assigned based on the date the Member's name was placed on the list. Those Members who were first on the list will be given the first option to take the next available locker.
5. Members in wheelchairs have first priority to downstairs lockers (Minutes of 9/21/99).

OFFICE POLICY

1. It is the duty of the Manager to supervise and control the resources within the Co-op Office so as to manage the Co-op as described in the Management Contract. These resources include but are not limited to:
 - Member Records
 - Financial Records
 - Meeting Minutes
 - Computers and Software
 - Copy Machine
 - Fax Machine
2. The Manager will be guided by the President or Presiding Officer in implementing the Co-op policies.
3. The Manager will work with the Board Secretary to ensure that the Minutes of all meetings of the Members and Board are kept, and assist with producing and distributing notices, agendas, etc.
4. The Manager will work with the Board Treasurer to ensure that full and accurate books are kept of the Co-op finances, to ensure that all monies and other valuable effects are deposited in the Name and to the credit of the Corporation.
5. The Manager will work with the Board and with the Members to address all requests for information. The Manager will determine how these requests are handled, and determine the reason for the request. Direct access to the records in the Office must always be with the consent of the Manager and under the supervision of the Manager. Members will be charged \$0.25 per page for copies of Co-op records. The Manager shall include an account of these activities in the Manager's reports (see note below).
6. Co-op Members may have faxes sent to the Office (947-6553) and the Office will contact the Member to pick up the fax at the Office.
7. The Co-op computers contain the Co-op financial records. Loss of these records would be a major set back. Co-op computers may only be used with the consent of the Manager. No software may be loaded on the Co-op computers by either Board Members or Members without the consent of the Manager. Any use of the computer will be under the supervision of the Manager.

8. Co-op Members may use the Office copy machine provided that this activity does not interfere with the other activities in the Office. The Manager will make this decision. Not more than 5 copies per day per Resident are allowed. There will be no charge to the Member for this service.
9. The Manager may use knowledgeable Co-op Members as Volunteers in the Office. All Volunteers will be supervised by the Manager.
10. Conflicts with regard to this Policy will be decided initially by the President and these decisions will be presented to the Board at the next regular Meeting. The Board can modify the immediate decision of the President.

Note with regard to 5 (above):

Conclusions based on the information provided to the Members by the Office do not necessarily reflect conclusions by the Board of Directors. The Board is not allowed to comment on matters that are related to contemplated or ongoing litigation.

POLICY FOR TRANSFER OF MEMBERSHIP

- 1.. Prior to Listing a Membership for sale, there will be a pre-inspection walk-through of the Unit to ascertain satisfactory/standard condition, in accordance with the Building Maintenance Policy Section H.. No Application for Membership will be processed until the pre-inspection has been completed.
2. Prospective Buyer must be approved for Membership PRIOR to transfer of Unit.
3. A \$300.00 assessment is required. This fee is refundable less damages, fines and all unpaid obligations when a Member sells his/her Membership and leaves.
4. There is a non-refundable \$25.00 credit/criminal check fee.
5. A \$200.00 transfer fee is charged for Office paperwork and transfer handling. This fee is split 50/50 between the Buyer and Seller, with each paying \$100.00. This fee is assessed whenever the Unit changes hands, except for current Members transferring within the Co-op.
6. The Occupancy Agreement has a Beneficiary clause. Members are encouraged to designate a Beneficiary, thus protecting their share and family.
7. Transfer of Units between current Members requires approval by the Board and an update of the Member(s)' files in the Office. No credit check, credit check fee or transfer fee is necessary. The assessment fee has already been collected (see Policy for Transfer of Membership Page 4).
8. Return of a previous Member to the Co-op within one (1) year will waive the credit check, if the previous Member's record in the Co-op has been satisfactory.
9. A walk-through inspection of the Unit (to ascertain the Unit is in satisfactory/standard condition, so all necessary repair/damage costs can be properly assessed) is mandatory before any Member can take possession of a Unit.
10. The Board or its designated representative must approve prospective Members, either by interview or from previous knowledge of returning Member.

Steps to Transfer a Membership

Both Seller and Buyer

1. The Membership process will take up to four (4) weeks.
2. No funds should be exchanged, except a refundable deposit if desired by the Seller, until Membership has been approved by the Board of Directors.
3. In no way is the purchase/sale assured until the Board of Directors has approved the new Membership.
4. It is helpful if both Buyer and Seller are present at the walk-through inspection.

Seller

1. According to Article II, Section 2.4, of our By-Laws, a Member must notify the Corporation, in writing, of his/her intention to sell; and the Corporation has the option to purchase the Membership for a period of thirty (30) days.
2. Ask the Buyer to come into the Office for the Application forms and General Information regarding Co-op living.
3. The Buyer will be given the necessary paperwork to be filled out and returned to the Office. When the paperwork is returned, the Co-op will proceed to verify information. The complete package will then be handed to the Membership Committee for review.
4. At this time an appointment will be scheduled for the Buyer to meet with the Membership Committee for a personal interview.
5. Following the interview, the Membership Committee will make its recommendation to the Board of Directors.
6. Final approval will rest with the Board of Directors. After the Board has rendered its decision, both Buyer and Seller will be notified.
7. After Board approval, arrangements can be made with the Office to effect the transfer. First - a walk-through inspection of the Unit will be conducted. Second - Seller must sign a Transferor Release, then the financial transaction may take place.

Buyer

- I. The Buyer decides which Unit he/she wishes to purchase.
2. The Buyer visits the Office where he/she can obtain information on Co-op living and Membership, along with the necessary Application forms.
3. Fill out the paperwork and return it to the Office with a check in the amount of \$25.00 for the credit/criminal report.
4. The Co-op will then proceed to verify the information. The complete package will then be handed to the Membership Committee for review.
5. At this time an appointment will be scheduled for the Buyer to meet with the Membership Committee for a personal interview.
6. Following the interview, the Membership Committee will make its recommendation to the Board of Directors.
7. Final approval will rest with the Board of Directors. After the Board has rendered its decision both Buyer and Seller will be notified.
8. After Board approval, arrangements can be made with the Office to effect the transfer. First - a walk-through inspection of the Unit will be conducted. Second - the Seller will sign the Transferor's Release. The financial transaction may then proceed. At this time payment of the Co-op fee of \$300.00 and the Transfer fee of \$200.00 (Buyer and Seller to split the Transfer fee 50/50, each paying \$100.00) is required, followed by the signing of the Occupancy Agreement.

Policy for Transfer of Member to Another Unit

1. Prior to listing a Membership for sale, there will be a pre-inspection walk-through of the Unit to ascertain satisfactory/standard condition, in accordance with the building Maintenance Policy Section H.

No Application will be processed until the pre-inspection walk-through has been completed.

The Member acknowledges that he/she is only entitled to One Membership Share.

2. Once a Membership has been sold the retired Membership Certificate, and any voting rights, will be held pending sale.

The Membership Certificate and the Unit related thereto will be listed as follows:

A. For the first three months (90 days), the Membership Certificate will be listed at no more than ten percent (10%) above the highest of the last three sales for the appropriately sized Unit.

B. If at the end of the three month (90 day) period referred to in (A) above said Membership Certificate has not sold, the Membership Certificate related to Unit will be listed for an additional three months (90 days) at the average price of the last three sales for the appropriately sized Unit.

C. If at the end of six months (the period covered in (A) and (B) above), the Membership Certificate still has not sold, the sale price of the Membership Certificate related to Unit will be reduced by five percent (5%) each month until sold.

Until Agreement on Transfer of Membership is signed a Member may not transfer to the new Unit.