

name of or on behalf of the Corporation. Prior to execution of any contract with duration greater than one year or requiring use of Restoration Funds, the officer/agent shall require submission of at least three bids from unrelated, independent sources, covering like parameters or specifications. After reviewing the bids and the officer/agent's recommendation, the Board of Directors may accept a bid and authorize execution of contract documents, require additional information prior to accepting and authorizing contract execution, or reject the proposal. In no case shall a contract be executed on behalf of the Corporation without the approval of the Board of Directors. (Restoration projects, by their nature, are restricted to major infrastructure undertakings, authorized by the Board of Directors, with a minimum cost of \$4,000 or five times the annual per member standard Restoration Assessment whichever is greater.)

Section II: Checks, Drafts, Etc: All checks, drafts or other orders for the payment of monies, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by any two of the following officers of the Association: President; Vice-president; Treasurer.

Section IV: All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks as the Board of Directors may select.

ARTICLE VII - ANNUAL ASSESSMENTS

Section I: Semi-annual Assessments: Commencing on September 1, 2010, the semi-annual assessment for each membership shall be \$600.00 for the first lot owned in Trout Valley, and \$270.00 for each additional vacant lot in Trout Valley under the same ownership. These assessments shall be payable and due on September 1st and March 1st for the ensuing six months. Previously vacant additional lots will become subject to the first lot fee schedule at the time the first semi-annual assessment comes due following the beginning of construction on such lots.

Section II: Limited Special Assessments: The Board of Directors shall have the power to levy a special assessment against certain lots for a particular matter which affects only certain lots. Provided, however, that no such special assessment shall be levied unless, (1) the Board of Directors has received a written request for such special assessment signed by a majority of the lot owners affected, (2) a special meeting has been called by the Board of Directors pursuant to such a request after a ten (10) day written notice has been given by mail to all affected lot owners, and (3) a majority of the lot owners affected vote in favor of such special assessment at said special meeting. The directors shall designate the due date for such limited special assessments.

Section III: Delinquent Accounts: A member whose assessments (whether such assessments are annual assessments, special assessments or any other assessments properly made by the Board of Directors of the Association) are not paid within ninety (90) days of the prescribed due date shall be considered in default. Any time after such default, the Association may file a lien against any lot or lots owned by such delinquent member, may initiate proceedings to collect such unpaid dues and any accrued interest, fees and costs in a court of competent jurisdiction against such member and/or may take such other or further action as the Association deems necessary to collect all sums due the Association. The Association may bring suit for and on behalf of itself, and as representative of all Owners, to enforce collection thereof or to foreclose the lien therefore

as provided by law; and there shall be added to the amount due the costs of the suit, together with legal interest and reasonable attorneys' fees to be fixed by the court. In addition, the Association may also take possession of the defaulting Owner's interest in the Property and maintain an action for possession of the Property in the manner provided by law.

Section IV: Expenses of Collection: Any and all expenses incurred by the Association in connection with the collection of delinquent accounts including but not limited to attorney fees, costs, court costs and filing fees, shall be paid to the Association by such member and be included in any judgment rendered against him.

Section V: Penalty on Delinquent Dues: A member whose assessments are not paid by the prescribed due date shall, in addition to any other costs or expenses set forth herein, pay to the Association interest on the then unpaid amount of such assessment at the rate of nine percent (9%) per annum, or such other interest rate as may, from time to time, be approved by the Board of Directors and authorized by law, from and including the prescribed due date to and including the date upon which such assessments are paid in full.

ARTICLE VIII - FIDELITY INSURANCE

The Board shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the Association for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody or control of the Association. If the Association employs a management company to be responsible for the funds held or administered by the Association, then the management company shall maintain and furnish to the Association a fidelity bond for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody of the management company at any time. The Association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the Association and a management company.

ARTICLE IX - LONG TERM INDEBTEDNESS

No long term indebtedness shall be incurred without the approval of two-thirds of the entire membership.

ARTICLE X - AMENDMENTS TO BY-LAWS

The by-laws may be modified, altered or amended by secret written ballot at any Annual or Special Meeting of the members either at the direction of the Board of Directors or upon written petition by members with 20% of the votes of the Association presented to the Board of Directors at least ninety (90) days prior to the Annual or Special Meeting. The Secretary of the corporation shall include in the notice of such meeting sent to the members the proposed amendment and a summary of the changes to be made and a ballot for the purpose of voting on such proposed amendment. The notice and ballot must be mailed not less than ten (10), nor more than thirty (30), days prior to the Annual or Special Meeting.