

TROUT VALLEY ASSOCIATION BY-LAWS

(Amended April 16, 2012)

ARTICLE XI - BOOKS AND RECORDS

Section III. Annual Budget

a. Each Owner shall receive through a prescribed delivery method, at least 30 days but not more than 60 days prior to the adoption thereof by the Board, a copy of the proposed annual budget together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes.

b. The Board shall provide all Owners with a reasonably detailed summary of the receipts, common expenses, and reserves for the preceding budget year. The Board shall (i) make available for review to all Owners an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves or (ii) provide a consolidated annual independent audit report of the financial status of all fund accounts within the association.

c. If an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year, the Association, upon written petition by Owners with 20% of the votes of the Association delivered to the Board within 14 days of the Board action, shall call a meeting of the Owners within 30 days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the Owners are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.

d. Any common expense not set forth in the budget or any increase in assessments over the amount adopted in the budget shall be separately assessed against all Owners.

e. Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Owner approval or the provisions of subsection (c) or (f) of this Section. As used herein, "emergency" means an immediate danger to the structural integrity of the common areas or to the life, health, safety, or property of the Owners.

f. Assessments for additions and alterations to the common areas or to Association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of two-thirds of the total members at a meeting called for that purpose.

g. The Board may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments not governed by subsections (e) and (f) of this Section, the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.

h. The Board shall have the authority to establish and maintain a system of master metering of public utility services to collect payments in conjunction therewith, subject to the requirements of the Tenant Utility Payment Disclosure Act.