**ARTICLE VI**

**Fiscal Management**

1. General Provisions. The provisions for fiscal management set forth in the Declaration shall be supplemented by the following provisions, provided, however, that in the event of a conflict between the provisions in the Declaration and the provisions herein, those in the Declaration shall control;

 a. Accounts. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

1. Current Expenses. This account shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance in this fund at the end of each year may, at the discretion of the Directors, be applied to reduce the assessments for current expense for the succeeding year.

 2. Reserve for Deferred Maintenance. This account shall include all funds for maintenance required because of damage, depreciation or obsolescence.

 b. Budget. The Board of Directors shall, on or before December 1 of each year, adopt a budget for each ensuing calendar year which shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the following accounts and reserves according to good accounting practices:

 1. Current Expenses. The amount for this item shall not exceed 110% of the budget for this account for the prior year.

 2. Reserve for Deferred Maintenance. The amount for this item shall not exceed 110% of the budget for this account for the prior year.

 3. Reserve for Replacement. The amount for this item shall not exceed 110% of the budget for this account for the prior year.

 4. Proviso. Provided, however, that the amount for each budgeted item listed above may be increased over the foregoing limitations when approved by members entitled to cast more than 50% of the votes in the Association. Copies of the budget shall be transmitted to each member on or before December 1 next preceding the year for which the budget is made. If the budget is subsequently amended, a copy of the amended budget shall be famished to each member.

c. Assessments. The original annual assessment for the Timber Ridge Homeowner's Association shall be collected at the time of closing from the original homeowner on the basis of a $50.00 initiation fee and five dollars ($5.00) per month starting June 1, 1991, payable annually. Effective April 1, 2008, the initiation fee will be $100.00. Beginning June 1, 1991, all homeowners shall be assessed at the same rate, unless otherwise changed by the Association, which shall be due and payable no later than June 15, 1991, and each succeeding year until said Association is dissolved. Further effective June 1, 2013, all assessments, if not paid by June 15 of each year shall be subject to late charges in the amount of $25 per month for each month they remain past due. The homeowner is subject to a $25 late charge for any payment made between June 16 through July 15, an additional $25 late charge for any payment made July 16 through August 15, an additional $25 late charge for any payment made August 16 through September 15 etc., and additional late charges of $25 per month for each and every month their payment is not made. Monthly late charges continue to accrue until the fees are paid in full.

A lien will be filed on the homeowner’s residence at a time determined by the Board of Directors. This lien is filed to make all persons aware there is a debt against the property.

When homeowner pays all amounts subject to the lien, homeowner will also be required to pay the cost of lien filing fees and lien release fees. In the event that the annual assessment proves to be insufficient, the budget and assessments therefore may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations thereon for that year. Any account which does exceed such limitations shall be subject to the approval of the membership of the Association heretofore required. Beginning with the year 1991, if the Board of Directors proposes to change the assessment for any given year, copies of the proposed assessment shall be transmitted to each member on or before May 1 next preceding the year for which the assessment is made.

 d. Assessments for Emergencies. Assessments for common expenses of emergencies which cannot be paid from the annual assessments for common expenses shall be made only after notice of the need therefore to the members. After such notice and upon approval in writing by members entitled to cast 2/3r vote of the Association, the assessment shall become effective and it shall be due thereafter in such manner as the Board of Directors may require. The board may spend the funds paid on account of the emergency assessment only for the purposes described in the vote.

 e. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Directors.

 f. Audits and Statement of Operations. If at any time required by an affirmative vote of more than 50% of the votes in the Association, an audit of the accounts of the Association shall be made by a certified public accountant. A copy of a statement of financial operations of the Association shall be furnished to each member not later than March 15 of the year immediately following the end of the year for which the statement is made.

 g. Fidelity Bonds. The Board of Directors may require a fidelity bond from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on any such bonds shall be paid by the Association as a common expense.

 h. Payment of Expenses. The Board of Directors shall provide such expenditure controls as it shall deem necessary and advisable, including payment vouchers and purchase orders in such form as the Board may determine.