

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

THIS DECLARATION, made this 17th day of August, 1979, by Tuscarora Land Co., a Pennsylvania corporation, hereinafter referred to as "Declarant"

WITNESSETH:

That, whereas Declarant is the owner of certain real property in Hardy County, West Virginia, having acquired the same by deeds recorded in Deed Book 151 at Page 418, and Deed Book 152 at Page 580, among the land records of Hardy County, West Virginia, which is more particularly described as follows: All those tracts of land which were conveyed to Tuscarora Land Co. by Bryce Mountain Resort Inc., and all those tracts of land which were conveyed to Tuscarora Land Co. by Velda S. Keller, by the Deeds mentioned above and containing the aggregate 1,980 acreage more or less as described in said Deeds and located and situate in the area known as "Mill Gap" in Lost River District, but excluding and excepting the following Properties:

1. Those two lots known as the Strawderman and Miller lots heretofore conveyed by Tuscarora Land Co. to Charles J. Breeding.
2. A certain tract of land containing 29 acres more or less including the Property known as the Teets Green Valley Farms Lodge, Bunkhouse and other recreational facilities which land is bounded on the North by National Forest Section of Lost River Valley, on the Southeast by Laurel Mountain Section of Lost River Valley, on the East by George Washington National Forest, on the West by Settler's Valley Way and the South by Mill Gap Road.

WHEREAS, the Declarant will convey the said property subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth:

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, reservations and conditions, all of which are for the purpose of enhancing and protecting the value and desirability of real property, and which shall run with the real property, and be binding on all parties having any right, title, or interest in the above described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each and every owner thereof,

ARTICLE I

DEFINITIONS

1. "Association" shall mean and refer to the Lost River Valley Property Owners Association, its successors and assigns.
- 2 "Owner" shall mean and refer to the record owner, whether one or more persons entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
3. "Properties" shall mean and refer to that certain real property described above, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
4. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision plat of the Properties.
5. "Declarant" shall mean and refer to Tuscarora Land Co., Its successors and assigns, if such successors or assigns should acquire the remaining undeveloped Lots from the Declarant for the purpose of development.
6. "Common Properties" shall mean and refer to those areas of land shown on the subdivision plat, as amended from time to time in accordance herewith, as being intended to be devoted to the common use and enjoyment of all the Owners and any Lots that may be transferred to the Association for use as Common Properties.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for each Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant who shall be entitled to four (4) votes for each Lot Owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership,

or

(b) on August 31 , 1983.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS

1. The Declarant may assess initially, for each lot, up to Fifty (\$50.00) Dollars per year, for the use, upkeep, and maintenance of the rights-of-way within all sections of said LOST RIVER VALLEY and such other common facilities as the said Declarant may provide therein, subject to any increase as provided hereinafter. Lots, however, which have frontage on Mill Gap Road, may only be assessed initially up to Twenty-five (\$25.00) Dollars. Any assessment made pursuant to this paragraph, including late fee of Five (\$5.00) Dollars, interest at the rate of nine (9%) percent per annum from the date of delinquency and reasonable attorney's fees incurred in the collection thereof, shall constitute a lien of this property until paid and all grantees do bind themselves, their heirs and successors in title to this lien and to the covenants herein written. This lien As expressly inferior and subordinate to any mortgage liens presently or hereafter encumbering the property affected by these protective covenants. Tuscarora Land Co. assumes the responsibility for the collection of the monies due under this lien assessment and for the maintenance of the roads, rights-of-way and common areas until August 1983, or until 80% of the property has been sold, whichever is first. At that time the rights and responsibilities as created by this Declaration of Protective Covenants will be delegated to the Lost River Valley Property Owners Association who shall assume full responsibility for collection of the lien and the maintenance of the roads, rights-of-way and common areas. This assessment may not be raised by more than ten (10%) percent per year without the written affirmative vote of two-thirds (2/3) of the members of the Association entitled to vote. The payment of said assessment and levy shall initiate on or before the thirty-first day of January next following the purchase of any parcel in the LOST RIVER VALLEY Subdivision and on or before the thirty-first day of January of each year thereafter. In the event of a resale of one or more parcels in said subdivision, the obligation shall become the obligation of the new owner(s).

ARTICLE IV

COVENANT FOR SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS OR ACQUISITIONS

In addition to the annual assessment authorized by Article III, hereof, the Association may levy in any assessment year a special assessment, for the purpose of acquiring additional common properties, defraying, in whole or in part, the cost of any construction, repair or replacement of any improvement upon the Common Properties, including the necessary fixtures and personal property related thereto. The amount of each special assessment, if any, and the time at which the same shall be payable, shall be determined by two-thirds (2/3) written affirmative vote of the members of the Association entitled to vote.

ARTICLE V

COVENANT FOR SPECIAL ASSESSMENTS FOR EXTENSION OF ELECTRICAL SERVICE

In addition to the annual assessments authorized by Article III, hereof, and the special assessments for capital improvements or acquisitions authorized by Article IV, hereof, the Association may levy in any assessment year a one time special assessment per lot for the purpose of making a non-refundable contribution to the cost of installing underground electrical service by the Shenandoah Valley Electric Co-op, and underground telephone service by the Hardy Telephone Company Inc. to the front property line of each Lot. The amount of this assessment shall be determined by the aforementioned utility companies and shall be approved by the written affirmative vote of two-thirds (2/3) of the Board of Directors of the Association. Each Lot owner shall be responsible for the cost of extending any utility service from the front line of any lot to any dwelling constructed thereon, Unless determined to be economically unfeasible by either of the aforementioned utility companies and the Declarant all such service throughout the properties shall be underground.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall structure, excavation, driveway, or other improvement shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition thereto or alteration therein be made until the detailed plans and specifications thereof, shall have been submitted to and approved in writing as to harmony of external materials and location in relation to surrounding structures and to the compliance to the other covenants and restrictions as set out in this Declaration and as may be established in the future by the Board of Directors of the Association, or by an architectural committee appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location with thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

USE RESTRICTIONS

1. Lots may be used only for single-family residential purposes and for purposes incidental or accessory thereto, including a guest apartment or guest house, which may be rented when not otherwise occupied. No dwelling may be constructed or maintained on any Lot with a ground floor area of less than 560 square feet, exclusive of porches and garages; provided that the Board of Directors of the Association may authorize a lesser area in unusual cases where justified by architectural design, location on Lot, and landscaping. Nor shall any dwelling be erected less than twenty-five (25') feet from the side or rear line of any Lot, nor less than sixty (60') feet from the center line of any road right-of-way; provided that the Board of Directors of the Association may authorize lesser set-backs where dictated by terrain conditions; and provided that side line setbacks shall not apply to a property line between lots in single ownership. All exterior construction must be completed and closed in within eight (8) months of the commencement construction. No building of a temporary nature shall be erected or placed on any of said lots except those customarily erected in connection with building construction operations; and in such cases for a period not to exceed four (4) months. This shall not prohibit the erection of a toilet complying with provisions of Article VIII, Paragraph 2, below.

2. No Owner shall erect or suffer to be erected any structure within, or otherwise obstruct, any easement across his lot, nor divert or otherwise interfere with the natural flow of surface water, nor obstruct any drainage ditch. No parking is permitted upon any road within the Properties at any time; and as part of the development of any Lot, the owner shall provide adequate offstreet parking for himself and his guest(s).

3. No sign of any kind larger than one square foot shall be displayed on any Lot, except temporary signs in connection with the construction, lease or sale of buildings or Lots, except street name and directional signs.

4. The use of trailers within said subdivision is unauthorized, except for the use of temporary camping trailers. Camping trailers may not exceed twenty-five (25') feet in length. This covenant shall not be construed to permit the use of a camping trailer as permanent housing; no such camping trailer or camper shall be permitted to remain on any lot for a period in excess of four (4) months.

5. No noxious or offensive trade or activity shall be carried on upon any Lot or right-of-way, nor shall anything be done thereon which may be or become an annoyance or nuisance to the community. Without exclusivity, the following items and activities must be thoroughly screened by appropriate planting or a fence of approved design:

a. Refuse containers. (All refuse must be kept in closed - sanitary containers at all times.)

b. Fuel storage tanks.

c. Garden equipment and supplies.

6. The Owner shall maintain, repair, and restore, as necessary, the exterior of any building or other improvements erected on any Lot owned by him. Owners likewise agree to repair and restore promptly to its prior condition any part of a subdivision road damaged by equipment of Owner or his contractor enroute to or from Owner's Lot. All Lots, improved or unimproved, must be maintained by Owner in a neat and orderly condition at all times. No garbage, refuse, trash, or inoperative vehicle or other debris shall be permitted to accumulate or remain on any Lot. In the event any Owner shall fail to discharge his aforesaid responsibilities in a manner satisfactory to the Board of Directors of the Association, the Association, upon a two-thirds (2/3) vote of its Board of Directors, and after fifteen (15) days notice to the Owner, shall have the right, through its agents and employees, to enter upon said Lot and perform necessary maintenance, repairs and restoration, or to remove any offending material or object. Such action shall not be deemed a trespass, and the cost of same when performed by the Associations shall be added to and become a part of the assessment to which such Lot is subject.

7. No part of any Lot may be sold or used as a road or right-of-way to any land outside the Properties without the advance, written permission of Declarant.

8. The Association, by a vote of two-thirds (2/3) of its members may make additional rules, covenants and restrictions for the use of the Properties, which, together with the above, may be enforced by fines or other penalties.

9. The use of community (common properties) is restricted to legally registered and licenced vehicles operated by licensed drivers. This restriction is not intended to limit the use of (a) non-motorized vehicles, (b) such non-registered and non-licensed vehicles as are needed in the maintenance, improvement or upkeep of an owner's property, or (c) the use of special purpose vehicles (such as snowmobiles) when circumstances warrant. [amendment passed by the membership and recorded in Deed Book No. 169, at page 517, at the Hardy County Court House] [Note: original amendment states that "This Amendment shall be referred to as Article VIII, Section 9; however, it is placed here as being more appropriate]

ARTICLE VIII

GENERAL PROVISIONS

1. Declarant reserves the right to replat any Lot or Lots prior to delivery of a deed to an original purchaser. Nothing herein shall be construed to prevent Declarant from imposing additional covenants or restrictions on any Lot not already conveyed by it. No lot in said subdivision may be resubdivided by the purchaser, his heirs, successors and assigns into more than two (2) lots. The minimum size of each lot subdivided, including the lot retained by the owner, shall not be less than five (5) acres. The West Virginia State Department of Health may not issue septic tank permits on resubdivisions.

2. All sewage disposal systems constructed on said lots shall conform to the regulations of the appropriate West Virginia Department of Health. Free standing toilets are also subject to the aforementioned requirements and shall be placed in a secluded area whenever possible. No building shall be constructed and no water well shall be drilled on any lot until a sewage disposal permit has been obtained from the West Virginia Sewage Enforcement officer.

3. Twelve (12") inch diameter culverts must be used in all driveways leading from any subdivision roads.

4. No trucks, buses, old cars or unsightly vehicles of any type or description may be left or abandoned on said lots.

5. Declarant reserves the right to grant easements for installation and maintenance of public utilities between the property lines and the building restriction lines of all lots, in addition to easements reserved by any other instrument duly recorded.

6. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any provision herein contained shall in no event be deemed a waiver of the right to do so thereafter.

7. Additional property may be annexed to the Properties with the consent of two-thirds (2/3) of the members of the Association, provided that additional property within the area described in Deed Book 151 at Page 418 and Deed Book 152 Page 580 of the land records of Hardy County, West Virginia, may be annexed by the Declarant without the consent of the Association within five (5) years of the date of this instrument.

8. The covenants, restrictions, and other provisions of this Declaration shall run with and bind the land for a term of twenty years from the date this Declaration is recorded, after which they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

Invalidation of any of the covenants, restrictions, or other provisions of this Declaration by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

By-Laws of the Lost River Valley Property Owners Association, Inc.

Name, Membership, Location and Purpose

Article I

Section 1. The name of this incorporated Association is: Lost River Valley Property Owners' Association, Inc. (hereinafter referred to as the "Association").

Section 2. The membership shall be as set forth in the Amended Lost River Valley Declaration of Covenants, and Restrictions (hereinafter referred to as the "Declaration") filed in the Office of the Hardy County Commission Clerk along with the Articles of Incorporation and each property owner's individual deed.

Section 3. The principal office of the Association shall be located in the State of West Virginia, Hardy County, District of Lost River. The mailing address of the Association shall be the registered business address of the Association, or the home address of the current Association Secretary.

Section 4. The purposes for which the Association is formed are:

- a) to maintain, improve, and repair the roads, common lands, and rights of way in the Lost River Valley Subdivision;
- b) to assess, collect, and administer funds for the purpose described in Article I.4(a) as set forth in the Declaration;
- c) to make capital improvements and acquisitions authorized by Article IV of the Declaration; and
- d) to engage in such other activities specified in the Declaration and as directed by the membership.

Article II

Meetings of Members

Section 1. Annual Meetings. The annual meeting of the Members shall be held on the first Saturday in June of year, at 1:00 P.M. (Eastern Time), for the purpose of electing Directors of the Association, and for transacting such other business as may come before the meeting. The annual meeting shall take place on the grounds of the Lost River Valley Subdivision or in close proximity thereto, such place being determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President upon demand of three (3) members of the Board of Directors, or upon written request of Association Members representing one-fourth (1/4) of all the votes of Class A membership as defined in the Declaration.

Section 3. Notice of Meeting. [modified June, 2013] Written notice of each meeting of the Members shall be given by mailing a copy of such notice, postage prepaid, or by e-mail (if such Member has previously consented) at least fifteen (15) days but not more than thirty (30) days before such meeting to each Member of the Association. This notice shall be sent to the Member's address or e-mail address last appearing on the books of the Association, or as supplied by such Member to the Association for the purposes of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. At any meeting of Members, the presence of Members, or of proxies, representing one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented in any meeting, the Members in attendance shall have power to adjourn the meeting without notice other than announcement at the meeting. The Board of Directors shall then schedule a new meeting and give appropriate notice to the members as specified in Article II.3.

Section 5. Proxies. [modified June, 2013] At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be executed in writing, by the Member or his duly authorized attorney, and shall be filed with the Secretary not later than immediately prior to the start of the scheduled meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. A proxy shall cease to be valid one week after the date of its execution unless otherwise provided in the proxy.

Article III

Board of Directors: Description, Selection and Term of Office

Section 1. Board of Directors. The affairs of the Association shall be managed by a Board of Directors (hereinafter referred to as the "Board") including the President, Vice President, Secretary, Treasurer and the Member-At-Large (hereinafter referred to as "Officers").

Section 2. Nomination. All nominees for Officers must be members of the Association. Nominations for the election of Officers may be in writing to the Secretary prior to an annual meeting. Nominations may also be made from the floor at the annual meeting. Such nominations must be made by members.

Section 3. Election of Officers. At each annual meeting the members shall elect Officers for a term of one year running from 1 July through 30 June of the following year. Election of the Officers shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the

provisions of the Declaration and these By-Laws. The Secretary shall cause to be available for inspection by any member at the meeting the lot numbers of all proxies and to whom they have been assigned, but not the specific voting instructions contained therein.

Section 4. Removal. Any Officer may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of an Officer, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor, except as prescribed in Article IV.

Section 5. Compensation. No Officer shall receive compensation for any service he may render to the Association. However, any Officer may be reimbursed for his actual expenses incurred in the performance of his duties.

Article: IV

Board of Directors and Their Duties

Section 1. President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments of the Association and shall co-sign all promissory notes of the Association.

Section 2. Vice President. The Vice President is to act in place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Section 3. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, and keep current the appropriate records showing the Members of the Association together with their addresses. The Secretary shall be responsible for keeping one set of all Association records on hard copy. The Secretary shall exercise and discharge such other duties as may be required of him by the Board.

Section 4. Treasurer:

a) The treasurer shall receive and deposit in appropriate bank accounts and other investments approved by the Board all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; and shall send written notice of assessment to prepare and present to the membership at the annual meeting a statement of income and expenditures for the previous fiscal year and a projected statement of income and expenditures for the current fiscal year.

b) In payment of all Association obligations, each paper check shall be signed by the Treasurer and countersigned by one other member of the Board whose signature shall be on file at the Association's bank of record. Additionally, the Treasurer can register for secure, encrypted Internet banking for all Association accounts at the Association's bank of record

and perform electronic banking procedures when appropriate. The Treasurer shall be empowered to conduct secure online transactions in the name of the Board. Only the President and the Treasurer shall have access to the username and password of the Internet account. On a quarterly basis, the Treasurer shall inform the Board of all banking transactions.

Section 5. Member at Large. The Member at Large shall exercise and discharge such duties as may be required of him by the Board.

Article V

Meetings of Board of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board, but not less frequently than twice a year.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President, or by any two (2) Officers, after not less than three (3) days notice to each Officer.

Section 3. Quorum. A majority of the Officers shall constitute a quorum for the transaction of business. Each Officer shall have one vote. Every act or decision made by a majority of the Officers present at a duly held Meeting at which a quorum is present shall be regarded as an act of the Board.

Section 4. Action Taken Without a Meeting. The Officers shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Officers. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

Section 5. Conflict of Interest by an Officer(s). If business comes before the Board and an Officer(s) has a direct interest in the outcome of the decision, said Officer(s) shall withdraw from voting on such business.

Article VI

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have the power to:

a) adopt and publish rules and regulations governing the use of the subdivision roads and the personal conduct of the Members and their guests within the subdivision properties, and to establish and enforce penalties for the infraction thereof as provided in the Declaration;

b) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, or the Declarations;

c) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

d) employ an independent contractor, or such other employee as they deem necessary, and to prescribe appropriate duties and compensation. Insure that said independent contractor has sufficient liability insurance to perform assigned tasks.

e) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment of the Association, with the exception that even though a member is in default in the payment of an assessment levied by the Association that member may still vote on any issue that would relate to amending the covenants relating to the subdivision. (1989 amended to add the entire paragraph)

Section 2. Duties. It shall be the duty of the Board of Directors to:

a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members;

b) supervise all agents and employees of the Association, and to see that their duties are properly performed;

c) issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

d) procure and maintain adequate liability and hazard insurance on property owned by the Association;

e) procure and maintain adequate liability insurance on the Board of Directors and cause all Officers or employees having fiscal responsibilities to be bonded; and

f) cause the subdivision's roads, common lands, and rights of way to be adequately maintained.

Article VII

Legal Liability of the Officers

All legal liability of and judgments against the Officers, collectively and individually, as well as the legal cost for their defense, arising from the execution of their powers and duties or from their endeavoring to accomplish the purposes of the Association as set forth in the By-Laws and the Declaration, shall be assumed by the Association. The Association shall obtain insurance for their protection as required in Article VI.2(e).

Article VIII

Committees

The Board of Directors may appoint an Architectural Control Committee; a Road Representatives Advisory Committee; and any other committees as deemed appropriate in carrying out its purposes.

Section 1. Architectural Control Committee: The Board of Directors may appoint an Architectural Control Committee as provided in the Declaration.

Section 2. Road Representatives Advisory Committee

a) Establishment and Membership: The Road Representatives Advisory Committee will consist of a Representative from each of the five major road complexes in the Association – 1) Wildlife Drive complex of roads, 2) Settlers Valley Way complex of roads, 3) Whispering Pines complex of roads, 4) Meadow Lane, and 5) Moonshine Hollow. The five Road Representatives shall be appointed by the Board of Directors not later than the second Board of Directors' Meeting for a newly elected Board and shall serve at the pleasure of the Board. The appointed Representatives must own property in the area that they are appointed to represent.

b) Road Representative's Duties: The Representative of a major Association road will be responsible for communicating the conditions of the roads, concerns and interests of his constituency to the Board, The Road Representatives shall exercise and discharge such other duties as may be required of them by the Board.

Section 3. The Board may appoint such other committees as deemed appropriate in carrying out its purposes.

Article IX

Books and Records

The Books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection by any Member. The Declaration, Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

Article X

Assessments

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. If the assessment is not paid within thirty (30) days after the due date, it shall be declared delinquent; the assessment shall incur a late fee of Five (5) Dollars, shall bear interest from the date of delinquency at the rate of nine percent (9%) per annum, and the Association may bring an action at law against the Owner personally obligate to pay same (interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment).

Article XI

Amendments

Section 1. These By-Laws may be amended, at any regular or special meeting of the Members, by a vote of a majority of a quorum of members present in person or by proxy, provided that the proposed amendment be offered in writing and that notice of the said proposed amendment be mailed to all members, together with a copy of same, at least fifteen (15) days prior to the meeting at which said proposed amendment shall come before the membership for vote.

Section 2. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Article XII

Miscellaneous

The Fiscal Year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Article XIII

Use of Association Road for Commercial Logging

Section 1. Commercial logging is the cutting down and removal of trees on an owner's lot for which the owner is paid a sum of money, whether in fact or in kind.

Section 2. If a property owner, in conjunction with commercial logging, uses the Association's roads to bring in or out heavy logging equipment and to remove the logs using heavy log trucks, there is a distinct possibility that such operations could damage the Association roads. The Association roads were never built to sustain repeated use by fully

loaded log trucks, especially the number of log trucks associated with clear-cut logging operations. Additionally, the Association roads were never built to sustain repeated heavy truck traffic during muddy conditions.

Section 3. No commercial logging involving the use of Association roads shall be commenced upon any property in the Association until the owner of such property has:

a) submitted in writing to the Board of Directors a plan for commercial logging, including:

- 1) Listing of the property to be logged;
- 2) The type of logging, whether select, clear cut or other;
- 3) The percentage of the property to be logged;
- 4) The specific Association roads that are intended to be used;
- 5) An estimate of the expected amount of logging truck traffic on Association roads per day;
- 6) The expected start date and expected completion date; and
- 7) The impact, if any, of future storm run-off onto Association roads, ditches or culverts due to trails cut or lack of groundcover.

b) clearly flagged the boundaries of his property and the area to be logged;

c) deposited with the Association Board of Directors a Road Damage Security Deposit in the amount of \$10,000 either in cash or bond, payable to the Association; and

d) completed (in person or by the property owner's designee) a pre-inspection of the roads with a representative of the Association to establish the baseline against which to assess any damages to the roads due to commercial logging. The Association Board of Directors has 14 days after receiving the logging plan to complete this pre-inspection.

Section 4. The Road Damage Security Deposit shall be held by the Association until such time as:

a) the property owner notifies the Board of Directors that logging is completed;

b) the Board of Directors, or its representative, has had an opportunity to inspect the Association roads used; and

c) the Board of Directors has determined the extent of any damage to Association roads that has occurred as the result of the commercial logging.

Section 5. If the Board of Directors determines that no damage has occurred or that any damage has been fully repaired, the total amount of the Road Damage Security Deposit will be refunded to the property owner. If the Board of Directors determines that road damage has occurred and has not been fully repaired, the Board of Directors will cause the damage to be corrected by a contractor of its choosing, shall deduct the cost of the corrective work from the Road Damage Security Deposit, and shall refund the remainder to the property owner. In the event that the cost of the corrective work is more than the Road Damage Security Deposit, the Board of Directors shall assess such overage amount to the property owner. Failure to pay the overage amount within thirty days shall subject the owner to the late fees, interest and action at law as provided in Article X of these By-Laws.

Section 6. Use of Association roads shall be limited to that needed to access the property, bring in and remove logging equipment, and take out the material logged. At no time shall log consolidation yards, cut logs, debris or loading equipment be placed on or stored on any Association road or within the 60-foot road right-of-way. All tree tops and other waste shall be removed from the property logged and disposed of in a manner so as to conceal it from view during winter months from the Association roads. No action will be taken by the property owner or his logging personnel during the logging operations that would impede the natural flow of water in ditches or culverts in proximity to Association roads. Commercial logging is prohibited on Fridays, Saturdays, Sundays and Federal holidays.

Section 7. The commercial logging of trees within the 60-foot right of way of Association roads shall not be undertaken without the written approval of the Board of Directors. If the Board fails to approve or disapprove such a written request within 30 days of submission, approval shall be deemed to have been received.

Section 8. There being a significant safety issue associated with operating fully loaded log trucks on Association roads, especially since there are several steep hills on Association roads and some Association roads are essentially single lane roads, any property owner engaging in commercial logging is responsible for insuring that all logging trucks comply with the Association's road speed limit of 15 MPH. If road safety is impaired by non-compliance with the speed limit by logging trucks, the Board of Directors may direct that Association roads cannot continue to be used for such logging operations.

Amendment History

Original By-Laws registered as part of the Articles of Incorporation 2/7/88. Incorporated and amended By-Laws presented to [and] approved by unanimous vote by Association Members at Annual Meeting on 6/3/89. Revisions to By-Laws presented to and approved by majority vote of Association Members at Annual Meeting on 6/5/04. Revisions to By-Laws, adding Article XIII – Use of Association Roads for Commercial Logging, presented to and approved by majority vote of Association Members at Annual Meeting on 6/4/05.

