

5. **Storage Sheds** (All), storage buildings shall comply with the following as appropriate:
 - a. Commercially constructed buildings must be new or in good repair with no rust or similar defect evident.
 - b. Constructed storage buildings must be a minimum of 24 square feet.
 - c. Storage building roof type and materials will be approved on a case basis.
 - d. Plans or specifications shall be submitted for each storage building. For a commercially constructed building, a specification sheet shall be sufficient.
 - e. All storage buildings must be completed within sixty days of construction start.
 - f. Owner designed and constructed storage building permits are conditionally approved for construction; final approval is subject to site inspection by a Trustee or the Property Manager.
 - g. No sleeping shall be permitted in storage buildings.
6. **Fences.**
7. **Culvert pipes,** Effective 12-16-88, individual property owners shall be responsible for keeping driveway culverts opened and water flowing. Property owner installed culvert pipes which cause damage to common ground roadways due to insufficient size or stoppage shall be removed by Trusteeship employees and placed on the owner's lot. Prior to installing a driveway culvert pipe, a property owner shall be advised of the recommended size from the Trusteeship and shall install a pipe of at least the recommended size.
8. **Wells,** Effective 2-10-88, any person or firm drilling a water well within the subdivision must be properly licensed by the State of Missouri; a copy of the license must be on file in the Trustee Office before the driller will be allowed to operate within the subdivision.
9. **Aeration systems,** to be constructed by a licensed contractor.
 - a. Effective 4-29-89, aerators must remain in operation 24 hours per day 365 days per year, whether or not the property owner is using the system.
 - b. Effective 5-4-91, an approved sewage/waste water handling facility (aerator or holding tank) must be installed and in operation before a mobile home or constructed home is occupied.
10. **Installation of Electric Service,** effective 12-19-92, the policy of the Board of Trustees shall be:
 - a. Electric service wiring may be installed across common ground roadways only when contained in steel or concrete pipe and buried not less than eighteen inches nor more than twenty-nine inches below grade completely across the roadway. Electric service buried across common ground roadways at depths greater than 29 inches may be installed in non-metallic conduit. Electric service in areas served by paved roads shall be installed above ground when crossing the paved road.

b. Any additional poles to accommodate the lines shall be at the expense of the property owner.

c. Property owners installing a trench across a common ground roadway for the purpose of electric service installations shall be responsible to restore the roadway to its pre-installation condition.

11. Site-built constructed dwellings.

12. Room additions to constructed dwellings, mobile homes, or RVs. A sketch of room additions shall be attached to the permit application, and shall indicate the materials to be used for (1) construction, (2) exterior walls, and (3) roofing. The sketch shall show the size of the proposed construction. Room additions will be approved subject to final on-site inspection by the Trustees.

13. Deck structures with or without covers or covers for existing deck structures. A sketch of deck covers or covered decks shall be attached to the permit application, and shall indicate the materials to be used for (1) construction, (2) exterior walls (if any), and (3) roofing. The sketch shall show the size of the proposed construction. Deck covers or covered decks will be approved subject to final on-site inspection by the Trustees.

14. Garages; All other structures shall be in the rear of the living accommodations and shall be sightly of neat construction, and of a character to enhance the value of the property. A garage may be constructed separately or attached to the dwelling, but must be of the same construction material as the living accommodations and the exterior of it must be finished in the same manner (except in the case of mobile homes).

15. Commercial buildings.

16. Boat and swimming docks.

17. Pole Barn structures.

4.2 Permit applications are to be filed, sketches with dismissions attached, and signed by an owner of said lot. The Office Staff charged with ensuring that all Information needed to consider the application is provided.

4.3 Permits for site built structures (fences, room additions to constructed dwellings, mobile homes, or RVs [Recreational vehicle, as used in the subdivision indenture shall be defined as a vehicle titled and licensed as "recreational vehicle" by the licensing authorities which is either self-propelled or readily towable by a non-commercial passenger automobile, pickup truck, van or suv], deck structures with or without covers or covers for existing deck structures, storage sheds, storage buildings of non-commercial design, pole barns, garages, commercial buildings, boat or swimming docks, camping cabins, and site built residential dwellings) shall be reviewed by a Building Committee, which is to be comprised of at least one Board Member and volunteers knowledgeable in the building trades and commisioned by the Trustees'. If the proposed project is approved, it will be OK to proceed with the project. All variances requires the unanimous approval of the Trustee's prior to approval, see paragraph 4.5. Concerns or recommended changes which preclude the Committee's approval shall be addressed to the applicant.

4.4 All other permits or unusual permits shall be taken directly to the Board for approval.

4.5 All permits requiring a variance will require a unanimous of the Boards signature for first approval. To expedite permit application processing a phone poll is acceptable.

4.6 Once approved, the applicant shall be given a copy of the permit to be plainly posted at the site of the project or improvement. Thirty days after first approval, the Trustee responsible for the section, building committee or the Manager, shall inspect the permitted project to ensure that what is being completed is what was applied for and approved.

1. Second inspection will be required on conventual stick buildings. (after shell is up the property owner is to notify the Office Staff for second inspection)

4.7 Upon completion of the project or improvement, the applicant shall notify the Office that they are ready for final inspection. The Manager, Trustee, or Building Committee Volunteer shall make a final inspection and suitable recommendation to the Board for approval. A copy of the approved permit will be retained in the Property Owner's paper file and also noted on the electronic records maintained in the Office.

4.8 Any permit granted by the Board of Trustees may be revoked for cause should the permitted item not be installed in accordance with the requirements of the permit or should the permitted item be allowed to deteriorate to an unsuitable condition outside the requirements of the permit. A permit may be revoked by a vote of the Trustees. The Property Owner shall be notified in writing and given a reasonable time to bring the permitted item into compliance before the permit is revoked and the item either required to be removed from the subdivision or brought into compliance by the Trusteeship.

5 Financial Accounting

(Change 10/2/10)

The Trusteeship shall operate on a fiscal year basis. The Trusteeship fiscal year shall be from September 1 to August 31 of each year.

All ongoing routine financial accounting actions shall be the responsibility of the Bookkeeper, who shall keep the records of the Trusteeship in the Office. The Bookkeeper may be assisted by computer equipment and software, and may keep financial records electronically in addition to paper based records. All electronically stored financial records shall be maintained at least bi-weekly in duplicate to avoid loss in case of computer equipment, software or storage media failure. A duplicate of essential electronically stored records shall be stored in a fire-resistant container.

Paper based financial records for each fiscal year shall be collected together at the conclusion of the year and filed in an identified file in the Trusteeship Office, where they shall be maintained for a period of three years. Paper based records older than three years shall be transferred to permanent storage containers and stored in a suitable location.

5.1 Payroll. Employees of Woodland Lakes Trusteeship, Inc. shall be paid weekly. Employees shall be paid by check from a payroll checking account, the requirements for which are described in the Employee Hand Book.

1. Pay Checks. The Bookkeeper shall prepare employee paychecks after the Field Operations Manager has reviewed and approved the maintenance employee's, gatekeepers, and office payroll for the week. Employee paychecks will be prepared on Thursday and shall include the pay period from the previous Friday through the Thursday on which they are prepared. Paychecks shall be signed by two Trustees or by one Trustee and the Field Operation Manager. Paychecks shall be distributed on either Thursday after 3:00 pm or Friday morning each week.

2. An employee may request and receive a paycheck for vacation weeks in advance of the vacation.

5.2 Accounts Payable

Accounts payable for business expenses other than field maintenance shall be reviewed and approved by the Bookkeeper and at least one Trustee weekly. Accounts payable for field maintenance expenses shall be reviewed and approved by the Bookkeeper and at least one Trustee weekly. Approved accounts payable, other than reimbursed expenses, shall be paid weekly by the Bookkeeper and at least one Trustee. Reimbursed expenses shall be approved by the full board in open session prior to payment. All payables, except payroll, shall be made by checks drawn on the Trusteeship's general checking account insofar as possible.

5.3 Receivables

The receivables of the Trusteeship include regular assessments, which are levied according to the requirements of the Trust Indenture against each lot within the subdivision, special assessments (which are levied according to the provisions of the Trust Indenture against each property owner), exempt income, which is derived from sale of property related services to property owners, and non-exempt income (i.e. taxable income) accrued by the Concession Stand and vending machines (including pay telephones).

1. **Regular Assessments.** The amount of the regular (uniform) assessment is established by vote of the property owners and shall be levied annually against each lot. The regular assessment amount shall be due and payable as of September 1st of each year and shall be deemed delinquent on October 1st of each year. Interest charges authorized in the Trust Indenture and Restrictive Covenants shall be added to the amount owed on the 1st of each month following the due date. Interest charge of .083 per month.
 2. **Special Assessments.** The number and amount of the special assessment is established by vote of the property owners within the limits set by the Trust Indenture and Restrictive Covenants, and shall be levied annually against each lot. Unless a Special Assessment specifically identifies a due date in the text, it will become due and payable on September 1st and deemed delinquent on October 1st. Interest charges, as allowed for in the Trust Indenture and Restrictive Covenants shall be added to the amount owed on the 1st of each month following the due date.
 3. **Assessment Payments.** Property owners, with the permission of the Trustees, may establish a payment schedule for their regular and special assessments. Under normal conditions, a payment schedule for assessments will not be established which would extend the total payment past the Spring Owners Meeting. Property owners who are current in paying their assessments in accordance with an established payment schedule shall be allowed entry into the subdivision as described in the appropriate section of this procedure. Owners/Family pass(es) will be issued month to month in accordance with the payment plan and are in good standing if payments are up-to-date. Payment for family pass(es) will be made only with the first issuance of the card(s).
- All assessments shall be due on September 1st of each year and considered delinquent on October 1st of each year. Property owners who have not paid all assessments in full or established a payment schedule in the Trustee Office by October 1st of each year shall not be issued property owner identification cards or decals nor allowed vehicular access into the common ground of the subdivision.
4. **Exempt Income.** Exempt income is defined as that income which qualifies for tax exempt status by being derived from a source related to the basic operation of the Trusteeship. Examples of exempt income include property cleanup charges, charges, returned check charges, income derived from sale of photocopies, charges for laminating, sale of any Trusteeship property, facility, or equipment, credit card service charges, and similar types of income.

5. Non-exempt Income. Non-exempt income, which is taxable by the Federal and State Governments, is that income derived from interest charged against delinquent accounts, sale of items in the Concession Stand, coin operated vending machines, sale of guest passes and privilege passes, and pay telephones. Any other income not qualifying for exempt status shall also be considered non-exempt and shall be properly accounted for tax purposes.

5.4 Petty Cash. A petty cash fund may be maintained by the Business Office Staff to make change when property owner assessments are paid in cash and to handle minor cash transactions. All income obtained via the petty cash fund shall be posted against the appropriate income category. All expenses paid from the petty cash fund shall be posted against the appropriate expense category. The petty cash fund shall not exceed two hundred fifty dollars (\$250.00). The petty cash fund shall be managed in the same fashion as any other asset account of the Trusteeship.

5.5 Bank Asset Accounts and Other Financial Instruments. The Trusteeship shall maintain such bank accounts and asset accounts as necessary to carry out the financial business of the corporation. Care shall be taken to remain within the limits of any single account or financial institution with respect to deposit insurance on any account of the Trusteeship.

1. General Checking Accounts. The Trusteeship shall maintain a general checking account from which to remit payables other than payroll. This checking account shall require two signatures on each check. As a minimum, all Trustees shall be signatories on the account. When the personnel of the Trusteeship change, the new personnel will be added to the account and the former personnel removed from the account as soon as practicable. Additional checking accounts may be maintained as desired, so long as they are maintained following the same requirements. When the personnel of the Trusteeship change, the new personnel will be added to the account and the former personnel removed from the account as soon as practicable.
2. Payroll Checking Account. The Trusteeship shall maintain a payroll checking account from which to remit all payroll funds. This checking account shall require two signatures on each check. As a minimum, all Trustees shall be signatories on the account. The Field Operation Manager may be on the account as signatories at the discretion of the Trustees.
3. Savings Accounts. The Trusteeship may maintain savings accounts as necessary to gain interest from funds on deposit. Savings accounts shall contain the names of all Trustees as depositors or owners of the account. Managers may be on the account as depositors of the account at the discretion of the Trustees.
4. Certificates of Deposit. The Trusteeship may maintain certificates of deposit as desired. Certificates of deposit shall be maintained until maturity when possible. Should a certificate of deposit be in the name of individual or individuals who are no longer Trustees, such certificate of deposit need not be redeemed merely to change the name(s) thereon.

5. Check Signing Procedures. No blank pre-signed checks shall be prepared by any individual authorized to sign checks on behalf of the Trusteeship. Blank pre-signed checks are defined as those with both required signatures, but with the Payee portion of the check not filled out. When necessary, pre-signed checks with the Payee portion already filled out (but not indicating the amount of the check) may be prepared and so used. When necessary, a reasonable number of checks with the signature of one of the two required may be kept in the Trustee Office for use by the Bookkeeper in making timely payments of amounts owed.

5.6 Budget

1. Budget Preparation and Approval. Annual budgets shall be prepared by the Board of Trustees prior to the commencement of the Trusteeship fiscal year. The annual budget shall consider all income due and all required expenditures for the forthcoming fiscal year to the best of the Trustees' ability. The budget shall be prepared by a budget committee composed of Trustees, the Field Operations Manager, and the Bookkeeper. The budget committee may also include property owners. When finalized, the annual budget shall be approved by vote of the Board of Trustees prior to commencement of the new fiscal year.

2. Income and Expense Accounts. The annual budget shall provide categories of income and expense accounts for every expenditure expected to be made by the Trusteeship. Expense accounts shall be included to the detail necessary to provide visibility into Trusteeship financial performance and to keep records to assist in future planning. The income accounts and expense accounts to be included in the budget are delineated in Appendix A to this procedure.

5.7 Periodic Reports

1. Reports shall be prepared monthly by the Bookkeeper which reflect the current status of Trusteeship budget. The reports shall include amounts received and amounts spent during the month, and shall show status of those amounts against the current annual budget. The monthly reports shall be maintained in the Trustee Office for review by Trustees and property owners. Cash Flow Reports shall be approved at regular meetings of the Board.

2. A summary report for each fiscal year shall be prepared by the Bookkeeper and approved by the Trustees at a regular property owners meeting.

5.8 Annual Audit. In accordance with the requirements of the Trust Indenture, the Trusteeship shall obtain the services of a Certified Public Accounting firm to perform an annual audit of Trusteeship records and procedures. Results of the annual audit shall be presented to the property owners at the semi-annual property owner meeting which follows receipt of the results. The presentation will normally be made by a representative of the firm which conducted the audit in April.

5.9 Taxes. Although assessment income and other income derived from transactions related to the not-for-profit nature of the corporation are considered exempt from income taxes by both the Federal and State Governments, income taxes are payable on Trusteeship income which is deemed non-exempt.

1. **Income Taxes.** Income tax returns shall be prepared and submitted both to the Federal Government and the State of Missouri in a timely manner. The services of a professional income tax preparation firm may be engaged for this purpose.
2. **Sales Tax.** The State of Missouri requires the Trusteeship to collect sales tax on the sale of items from the Concession Stand (if operated by the Trusteeship) and coin operated vending machines. Sales tax at the applicable rate shall be added to all items for sale in the Concession Stand. Sales tax on income from coin operated vending machines including pay telephones shall be calculated from the gross income from these sources. All sales tax due shall be remitted to the State of Missouri in a timely manner.
3. **Sales Tax Exemption.** The Trusteeship shall maintain a sales tax exemption certificate with vendors of items for sale in the Concession Stand, should the Trusteeship operate it. These items, and only these items, shall be procured free of sales tax when possible; sales tax will be collected when these items are sold.
4. **Federal Insurance Contributions Act (FICA).** The Trusteeship shall collect from each employee's gross wages such FICA contributions as are provided for by law. The collected amounts shall be remitted to the appropriate Federal agency as required.
5. **Employee Tax Withholding.** The Trusteeship shall withhold such amounts for income taxes from each employee's gross wages as are provided for in Federal and State law. The withheld amounts shall be remitted to appropriate Federal and State agencies as required.
6. **Employment Insurance.** The Trusteeship shall pay such amounts for employment insurance against each employee's gross wages as are provided for in Federal and State law. The required amounts shall be remitted to the appropriate Federal and State agencies in accordance with their requirements.

5.10 Concession Stand

A concession stand will be located in the vicinity of the swimming pool. The concession stand may be operated by the Trusteeship as a retail enterprise for the benefit of all property owners. A separate accounting system with the concession stand having its own income statement shall be established. A separate bank account in the name of the concession stand shall be established with all trustees being signatories on the account. All income from the concession stand operation, including sales via soda machines, shall be deposited in the concession stand account. All expenses attributable to the concession stand operation except payroll shall be paid from the concession stand account. Payroll and payroll overhead costs shall be transferred from the payroll account to the concession stand account. At the conclusion of each operating

season, the concession stand shall transfer all monies in excess of the current fiscal year budgeted amounts for:

- 6205 Electric Service for Concession Stand
- 6215 Telephone for Concession Stand
- 6262 Concession Stand Sales Tax
- 6560 Soda
- 6655 Concession Stand Repairs
- 6656 Concession Stand Supplies
- 6660 Concession Stand Items For Resale

to the Trusteeship General Fund. The amounts listed above shall be maintained in the Concession Stand bank account for the next operating season. The Concession Stand checkbook (s) and all records for the concession stand operation shall be maintained in the Trustee Office.

The Trusteeship shall hire one or more concession stand operators as permanent part-time employees. Concession stand operators shall be paid from the regular Trusteeship payroll accounting system, and costs of same transferred to the concession stand account. The concession stand operator(s) shall be responsible for receiving and maintaining inventory of all food and non-food items sold via the operation and all incidental supplies necessary in the dispensing or preparation of items sold. The concession stand operator (s) shall be responsible for receiving and accounting for all monies obtained through sales from the concession stand, ice machines, and during the operating season, soda machines located in the concession stand area. The Field Operations Manager shall be responsible for receiving and accounting for all monies obtained through sales from the soda machines located other than in the concession stand area, and other than during the operating season, from soda machines located in the concession stand area.

Ordering and scheduling of deliveries of food and non-food items sold via the concession stand operation shall be the responsibility of one or more Trustee to be appointed by the Board. The appointed Trustee / Trustees shall oversee the total operation of the concession stand for the period of his or her appointment.

At the Board's descretion, operation of the Concession Stand may be either suspended or let by bid to a concessionaire.