

SECTION 13. Assessments.

(a) Each Owner of any Dwelling shall be deemed to covenant and agree to pay to the Community Association all Assessments, including, but not limited to the following: (i) regular Assessments to be made due and payable on an annual basis as reasonably determined from time to time by the Board of Directors based upon the budget of the Community Association; (ii) special Assessments fixed, established and collected from time to time as provided in this Declaration; (iii) any other charges or Assessments for what may be determined from time to time by the Community Association to be Common Expenses; and (iv) any interest charges, attorneys' fees, penalties or fines levied by the Board of Directors for non-payment of Assessments or for non-compliance with the terms and provisions of this Declaration, the By-Laws or any rules or regulations created by the Board of Directors. The Community Association shall have the right to assess Limited Charges against any one or more Dwellings to provide services which are exclusively used for these Dwellings. Each Assessment, together with interest thereon, fines, late charges and costs of collection thereof (including attorneys' fees) as hereinafter provided shall also be the personal obligation of the Owner who was the Owner of the Dwelling at the time when the Assessment became due.

(b) The Association shall assess to each purchaser of a Dwelling from the Declarant an amount equal to _____ Dollars (\$ _____) as a one-time non-refundable contribution to the Association which amount may be used from time to time as revenues of the Association for the purposes deemed appropriate or desirable by the Board of Directors.

(c) Each Owner shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the Community Facilities damaged by his act, omission or negligence or by the act, omission or negligence of his tenants, agents, guests or licensees, promptly upon receipt of the Association's statement therefor.

(d) Any excess of Assessments remaining after payment of or provision for Common Expenses and any payment of reserves may be used by the Association as determined by the Board of Directors and, to the extent not used, may be credited to the Owners to reduce their future Assessments.

(e) Except as otherwise provided in this Declaration, payment of Assessments by the Owner shall be made at the discretion of the Board of Directors; provided that all regular and special Assessments shall be declared by the Board of Directors and made due and payable on an annual or monthly basis. The failure of the Board of Directors to formally declare any annual Assessment shall result in the regular annual Assessment

for the immediately preceding year being the regular annual Assessment applicable to and due and payable for the next year.

(f) All Assessments and charges chargeable to any Owner, including all fines, fees, charges, late charges, interest and costs of collection thereof (including attorneys' fees), and penalties levied for noncompliance with this Declaration, the By-Laws and any rules and regulations of the Association shall constitute a lien against the Lot and Dwelling in favor of the Association; provided that all fines, fees, charges, late charges, interest, costs of collection (including attorneys' fees) and penalties shall be subordinate to the lien of any Eligible Mortgagee. This lien shall be effective from and after the time the Assessment or charge becomes due and shall be evidenced by the recording in the public records of the county in which the Community is situate of a claim of lien stating the description of the Dwelling, the name of the record Owner and the date when the Assessment or charge became due. This claim of lien shall include only those sums which are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by the lien and payment of a preparation fee, the party making payment shall be entitled to a recordable satisfaction of lien to be recorded at his sole expense.

(g) Any Assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of fifteen (15%) percent per annum or a higher rate permitted by law which the Board of Directors shall from time to time determine. The Board of Directors may assess fines, late charges and costs of collection (including attorneys' fees). The Board of Directors shall also have the right to charge a delinquency Assessment, as established from time to time by the Board of Directors, against any Owner whose Assessments are delinquent for a period exceeding fifteen (15) days from the due date. The Board of Directors shall have the right to accelerate payment of all remaining proposed payments of any regular or special Assessments for the remainder of the fiscal year.

(h) Any Assessment charged against an Owner may be enforced by a lawsuit brought by the Board of Directors on behalf of the Association and/or the Owners in an action at law or equity against the Owner personally obligated to pay the same, or by executing the lien described herein against the Lot or Dwelling, or both, and the Board of Directors may seek whatever other remedies which are available at law or in equity. In addition to these rights and remedies available to the Association, the Association shall have the right to revoke the rights of an Owner in the Association, including the right to vote; provided the Association shall provide written notice of this revocation and an opportunity for the defaulting Owner to be heard before the Board of Directors. The decision of the Board of Directors shall be final. Any judgment against a Lot and its

Owner shall be enforceable in the same manner as is otherwise provided by law. Attorneys' fees, court costs and collection expenses incurred by the Board of Directors incident to the collection of any Assessments or the enforcement of any lien, together with all sums advanced and paid by the Board of Directors for taxes and payments on account of superior liens which may be required to be advanced by the Board of Directors in order to protect its lien, shall be payable by the Owner and secured by this lien.

(i) In the event that title to a Dwelling is transferred by sheriff's sale pursuant to execution upon any lien against the Dwelling, the Board of Directors may give notice in writing of any unpaid Assessments, which are a charge against the Dwelling but have not been reduced to a lien, to the sheriff and the sheriff shall pay the Assessments of which he has notice out of the proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay, but prior to any distribution of the balance to the former Owner against whom the execution issued. Any unpaid Assessments which cannot be promptly collected from the former Owner may be reassessed by the Board of Directors as a Common Expense to be collected from all the Owners, including the purchaser or acquirer of title at the sheriff's sale, his successors and assigns. To protect its right to collect unpaid Assessments which are a charge against a Dwelling, the Board of Directors may, on behalf of the Owners, purchase the Dwelling at sheriff's sale; provided this action is authorized by the affirmative vote of a majority of the Board of Directors. If it does so purchase, the Board of Directors shall thereafter have the power to sell, convey, mortgage or lease the Dwelling to any person whatsoever.

(j) Upon the voluntary sale or conveyance of a Dwelling, or any other transfer, by operation of law or otherwise, except a transfer described in Subsections (k) and (l) of this Declaration, and a transfer by Deed in lieu of foreclosure to an Eligible Mortgagee, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments for Common Expenses which are charges against the Dwelling as of the date of the sale, conveyance or transfer. This joint and several liability shall be without prejudice to the right of the grantee to recover from the grantor, in the amount of any unpaid Assessments which the grantee may pay, and until these Assessments are paid, they shall continue to be a charge against the Dwelling, which may be enforced in the manner set forth above; provided, however, any person who shall have entered into a written agreement to purchase a Dwelling shall be entitled to obtain a written statement from the Treasurer of the Association setting forth the amount of unpaid Assessments charged against the Dwelling and its Owner, and if the statement does not reveal the full amount of the unpaid Assessments as of the date it is rendered, neither the purchaser nor the Dwelling after transfer thereof shall be liable for the payment of the

amount in excess of the unpaid Assessments shown on the statement.

(k) If an Eligible Mortgagee or other purchaser of a Dwelling acquires title to the Dwelling as a result of foreclosure of the first mortgage, or by deed in lieu of foreclosure, the acquirer of title, his successors and assigns, shall not be liable for the share of Common Expenses or other charges by the Association pertaining to the Dwelling or chargeable to the former Owner which accrue prior to acquisition of title as a result of the foreclosure. The unpaid share of the charges shall be a Common Expense collectible from all Owners, including the acquirer of the Dwelling by foreclosure, his successors and assigns.

(l) The Declarant shall not be liable for any charges or Assessments levied by the Association against Lots or Dwellings owned by the Declarant, except the following:

(i) Dwellings leased by Declarant to third party tenants; and

(ii) All model homes in the Property commencing on the first day of the month following twelve (12) months from the model home being open to prospective purchasers.

(m) For purposes of this subsection (m), the term "Subsidy Termination Date" shall mean the earlier to occur of (i) the election held at the Transitional Meeting, or (ii) the date upon which a sufficient number of Dwellings have been conveyed to Owners so that the Common Expense Assessments due from such Owners will equal or exceed, on an annual basis, Common Expenses actually incurred for that fiscal year. Notwithstanding the other provisions of this Section, until the Subsidy Termination Date, the Declarant shall be responsible for the amount, if any, by which the Common Expenses actually incurred in any fiscal year exceed the aggregate amounts of the Common Expense Assessments levied to Owners (a "Limited Deficit"). Limited Deficits will be determined on an annual basis for each fiscal year except with respect to the fiscal year in which the Subsidy Termination Date occurs, in which fiscal year there shall be an accounting prepared by the Declarant and the Board of Directors reflecting the Limited Deficit allocable only to the period in which the subsidy obligation existed. The Declarant shall pay the amount of any Limited Deficit to the Association by paying Five Thousand Dollars (\$5,000.00) (the "Declarant Contribution") to the Association at the beginning of each fiscal year prior to the Subsidy Termination Date, to be used to offset any Limited Deficits. If, during or at the end of any fiscal year prior to the Subsidy Termination Date, there shall exist a Limited Deficit after the use of the Declarant Contribution, the Declarant shall, within thirty (30) days after its receipt of written notice from the Association and a statement detailing such Limited Deficit, pay such amount to the Association. If at the end of any such

fiscal year Common Expense Assessments levied to Owners plus the Declarant Contribution exceed the Common Expenses actually incurred, the Association shall within thirty (30) days after the end of such fiscal year pay the Declarant the amount of such surplus up to the amount of the Declarant Contribution.

SECTION 14. Transfer and Leasing of Dwellings.

(a) Any Owner may, at any time, transfer ownership in the Lot and Dwelling (which must include his membership in the Association) to any other person, and it shall not be necessary to secure the prior consent of the Association, Board of Directors or any other Owner.

(b) No Owner shall be permitted to lease his Dwelling unless the Owner has complied with the relevant provisions of this Declaration, the By-Laws and any applicable rules and regulations promulgated from time to time by the Board of Directors.

(c) All leases must be in writing and for a term of not less than one (1) year. All lease forms must be approved by the Association; this approval shall not be unreasonably withheld. All leases shall provide that the tenant shall be subject in all respects to the provisions of this Declaration, the By-Laws and any rules and regulations of the Association promulgated from time to time by the Board of Directors. The leasing of a Dwelling shall not affect the liability of the Owner with respect to his obligations under this Declaration, the By-Laws and any rules and regulations promulgated from time to time by the Board of Directors.

(d) The provisions of Subsections (b) and (c) above shall not apply to an Eligible Mortgagee who acquires title to the Dwelling against which it holds, insures or guarantees a first mortgage lien through foreclosure sale or through acceptance of a deed in lieu of foreclosure.

(e) In the event the Owner shall fail to pay any charge or Assessment levied by the Board of Directors against a leased Dwelling, and the failure to pay continues for sixty (60) days, the Board of Directors shall so notify the tenant of the Dwelling in writing of the amount(s) due and, within fifteen (15) days after the date of notice, the tenant shall pay to the Board of Directors the amount(s) of unpaid charges or Assessments, subject, however, to Subsection (g) of this Section. The amounts of the unpaid charges or Assessments paid to the Board of Directors by the tenant after the nonpayment by the Owner shall be credited against and shall offset the next annual rental installment due to the Owner following the payment by the tenant of the charges or Assessments to the Board of Directors.

(f) In no event shall the tenant be responsible to the Board of Directors for any amount of unpaid charges or

Assessments during any one year in excess of one (1) monthly rental installment.

(g) The inclusion of Subsections (e) and (f) of this Section in a lease or addendum to a lease for the rental of a Dwelling shall be a condition precedent to the approval of the lease by the Board of Directors.

SECTION 15. Mandatory Disclosure to Purchaser or Tenant.

(a) Any Owner who leases or sells his Dwelling shall provide his tenant or purchaser, at the Owner's expense, a current copy of this Declaration, the By-Laws, all rules and regulations promulgated by the Association, any amendments to the foregoing and any other covenants, conditions or restrictions and related documents which may apply to the Dwelling. Within (5) days after the execution of a lease or an agreement for the sale of the Dwelling by the Owner, the Owner shall submit to the Association a certificate signed by the tenant or purchaser that certifies that the tenant or purchaser has received copies of the documents applicable to the Dwelling. Within five (5) days after the execution of a lease for the Dwelling, the Owner shall submit a copy of the executed lease to the Association.

(b) Upon the sale of the Dwelling, the selling Owner shall furnish a certificate issued by the Association containing the following information:

(i) a statement of the then current amount of the Assessments payable annually and any unpaid Assessments currently due and payable from the selling Owner;

(ii) a statement of any other fees payable by the selling Owner;

(iii) a statement of any special Assessments for capital expenditures currently proposed or adopted by the Association for the current and next two succeeding fiscal years, if these have been determined;

(iv) a statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the Association for any specified project;

(v) a copy of the most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

(vi) a copy of the current operating budget of the Association; and

(vii) a statement describing any insurance coverage which may be provided for the benefit of Owners.

(c) The Association shall fully cooperate in the preparation and provision of this information certificate to a selling Owner within fifteen (15) days after it is requested in writing by the Owner. An Owner providing this certificate to a purchaser is not liable to the purchaser for any erroneous information provided by the Association and included in the certificate. A purchaser shall not be liable for any unpaid Assessments greater than those set forth in the certificate, other than additional Assessments arising from the passage of time. The Association shall have the power to assess the reasonable cost of the preparation of the certificate to the selling Owner and require payment thereof prior to the delivery of the certificate to the selling Owner.

SECTION 16. Use Restrictions.

(a) Except as used by the Declarant in connection with its construction and marketing of Dwellings, each Dwelling shall be used for residential purposes only; provided (subject to Subsection (h) below) that home occupations may be carried on in the Dwelling if the use is incidental to the Dwelling's primary residential use, shall have no employees, customers or clients at the Dwelling and shall be approved by any municipal authorities having jurisdiction over the use.

(b) No part of the Property shall be used so as to create a nuisance or an unreasonable interference with the peaceful possession and occupation or proper use of any other Dwelling or the Community Facilities. In illustration and not limitation of the foregoing, no Owner, guest or invitee shall play loud music, create excessive noise, or permit trash or clutter to accumulate on his Lot.

(c) Except for work done by the Declarant in connection with the construction and marketing of Dwellings, nothing shall be built, caused to be built or done in or to any part of the Property which will alter or cause any alteration to the Community Facilities without the prior written approval of the Board of Directors.

(d) Each Dwelling shall be maintained by its Owner or occupant in a safe, clean and sanitary manner and condition, in good order and repair and in accordance with all applicable restrictions, conditions, ordinances, codes and any rules or regulations as may be applicable hereunder or under law.

(e) No Owner or occupant of any Dwelling shall carry on, or permit to be carried on, any practice which unreasonably interferes with the quiet enjoyment and proper use of another Dwelling or the Community Facilities by the Owner or occupant of any other Dwelling, or which creates or results in a hazard or nuisance on the Property.

(f) Except for a single non-illuminated address number sign to a Dwelling and except for the right reserved for the Declarant in Section 12(c) of this Declaration, no sign may be erected by any Owner on or in a Lot or Dwelling (visible from the outside of the Dwelling) or on any of the Community Facilities, without the prior written approval of the Board of Directors. In no event shall any Owner or occupant display any real estate for sale or for rent sign of any kind on any Lot except in compliance with Section 17(c) hereof.

(g) No Owner or occupant may obstruct the Community Facilities in any way. No Owner or occupant may store anything in or on the Community Facilities without the prior written approval of the Board of Directors.

(h) In accordance with the present zoning of the Property, the only permitted use of a Dwelling is as a residence. No commercial, industrial, recreational or professional activity not permitted by the present zoning, other applicable laws and ordinances and any rules or regulations thereunder shall be carried on in any Dwelling at any time. If, in the future, zoning regulations change so as to expand the scope of activities permitted to be conducted within the Dwellings, application may be made by an Owner to the Board of Directors for approval to commence the newly permitted use of his Dwelling. Each application shall be considered by the Board of Directors on an individual basis. Once the Board of Directors has given its approval to a particular use of a Dwelling, it may not revoke the approval so long as the nature and scope of the approved use remains unchanged. No Owner shall permit his Dwelling to be used or occupied for any prohibited purpose.

(i) No animals of any kind shall be kept or bred in any Dwelling, other than dogs or cats which are kept as household pets; provided that in no event shall any more than four (4) pets be kept by the Owner or occupant of any Dwelling in or outside of the Dwelling. No pet shall be permitted to run loose or uncontrolled in or on the Community Facilities. Pet owners shall immediately clean up any waste left by pets anywhere on the Property on or near the trail system or the entrance.

(j) No portion of the Property shall be used or maintained as a dumping ground for rubbish, trash, new or used lumber or wood, metal scrap, garbage or other waste, except that such material may be kept on the Lot or in areas of the Property designated for this purpose by the Declarant (in connection with its construction) or the Board of Directors; provided these materials shall be kept in sanitary containers and in a clean and sanitary condition. These containers shall be placed for collection only in the designated areas and only on the day these refuse materials are to be collected. Empty containers shall be removed promptly after collection.

(k) No Owner or occupant shall erect or maintain an exterior antenna on any Lot or Dwelling. An Owner may install a satellite dish with the prior written approval of the Board of Directors. Application for such approval shall in all cases include a detailed landscaping plan to conceal the dish from view from the remainder of the Property, and any consent by the Board of Directors will be conditional upon installation, maintenance and replacement of such landscaping.

(l) No Owner or occupant shall leave any non-operating vehicle, a vehicle not currently registered and licensed or a vehicle not having a valid and unexpired state motor vehicle inspection sticker on or about the Property, except if entirely enclosed in the Dwelling garage.

(m) Driveways and streets and other exterior parking areas on the Property shall be used by Owners and occupants for four wheel passenger vehicles, two wheel motorcycles and standard bicycles only. No recreational vehicles, vans (other than non-commercial passenger vans), mobile homes, trailers, boats, trucks (other than non-commercial light trucks) or commercial (whether or not registered as a commercial vehicle with the State Department of Transportation) vehicles shall be permitted to be parked on the Property, except on a day-to-day temporary basis in connection with repairs, maintenance or construction work. Vans, recreational vehicles, trailers, trucks or commercial vehicles may be permitted to be parked entirely within Dwelling garages or by rule or regulation of the Board of Directors. Passenger vehicles may be permitted to be parked on the driveway and in the garage on a Lot.

(n) In the event of taking in condemnation of Community Facilities or any portion thereof, the award for the taking shall be payable to the Association for use by the Association to defray costs and expenses of operation, maintenance and replacement of Community Facilities.

(o) No motor vehicle, including, but not limited to, mini-bikes, all-terrain vehicles, snowmobiles and motorcycles, may be driven anywhere on the Property, other than on streets and driveways, by any Owner, occupant or guest. In illustration and not limitation of the foregoing, no vehicles of any sort may be driven anywhere on the Community Facilities. No maintenance, servicing or repair of any motor vehicle of any type may be done anywhere on the Property (including, without limitation, in the street or in a driveway) except in a fully enclosed garage.

(p) No fences, tents, storage tanks, sheds, or accessory buildings or structures shall be erected, or permitted to remain on the Property without the prior written approval of the Board of Directors.

(q) No outdoor clothes lines may be erected, installed or permitted to remain on any Lot.