

ARTICLE XI: COVENANTS FOR ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments. Each owner of any living unit or lot, save and except the Declarant which is expressly excluded from this requirement, by acceptance of a deed therefor, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges; (2) special assessments, and (3) individual assessments to be established and collected as hereinafter provided. All such assessments, together with interest thereon and together with attorney fees and costs of collection thereof as hereinafter provided, shall be a continuing lien upon the Living Unit or Lot against which each such assessment is made. Each such assessment, together with interest thereon, attorney's fees and costs of collection thereof, shall also be the personal obligation of the person who was the owner of such Living Unit or Lot at the time when the assessment fell due as well as a lien on his respective Living Unit or Lot. The personal obligation for delinquent assessments shall not pass to an owner's successor in title unless expressly assumed by them, but the lien of the assessment shall run with the Lot or Living Unit.
2. Purpose of Annual Assessments. The annual assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the owners and occupants, and to pay the common expenses of the Association. Common expenses shall include:
 - a. Expenses of Administration.
 - b. Expenses of maintenance of the common area and upon decorative walls, fences and other decorative improvements for which the Declarant, the Association or the Architectural Committee are responsible to repair, maintain and replace.
 - c. Cost of insurance or bonds as provided in Article XIII,
 - d. Costs of funding reserves as provided in Section 3 of this Article.
 - e. Any deficit in common expenses for any prior fiscal year of the Association.
 - f. Any other items properly chargeable as an expense of the Association.
 - g. Any other items agreed upon as common expenses by owners.
 - h. Maintenance of the perimeter wall shall be the responsibility of the Association.
 - i. Mowing and general maintenance of vacant lots will be done by the Association.
3. Reserve Account for Major Repair & Replacement of Improvements: The Association shall maintain a reserve account or accounts for repair or replacement of those structures or improvements on the Common Property and for repair and replacement of decorative walls, fences and other improvements on private property which are the responsibility of the Declarant, the Association or the Architectural Committee, which will naturally require replacement in more than three and less than thirty years, taking into account the estimated remaining life of such items and the replacement cost thereof. The reserve account or accounts will be funded out of the annual assessments each year. The initial budget of the Association shall provide for not less than 5% of the amounts of each regular assessment to be paid into the reserve account. That initial amount may be increased annually as provided in Section 4 below. That initial amount shall not be decreased nor shall the funds be used for any purpose other than defraying all or part of the costs of major repair or replacement as provided herein, except by a vote of two-thirds (2/3) of members voting in person or by proxy, at an annual meeting or special meeting duly called for this purpose. The Board shall invest the reserve funds in an insured interest-bearing account until needed.

4. Maximum Monthly Assessment. Until January 1 of the year immediately following the conveyance of the first Lot or Living Unit to an owner other than Declarant, the maximum monthly assessment for each Lot or Living Unit, except town homes, shall be \$30.00 per month. Until such date, the maximum monthly assessment for town homes shall be \$60.00 per month.
 - a. From and after January 1 of the year immediately following the conveyance of the first Lot or Living Unit to an owner other than Declarant, the Board may increase the maximum annual assessment each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.
 - b. From and after January 1 of the year immediately following the conveyance of the first Lot or Living Unit to an owner other than Declarant, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of members voting in person or by proxy, at an annual meeting or special meeting duly called for this purpose.
 - c. The Board may fix the monthly assessment at any amount not in excess of the maximum.
5. Special Assessment for Landscaping Maintenance. Declarant may determine that landscaping for particular housing types are maintained under a common landscape maintenance agreement. This agreement shall be approved by the Board. It is to include all exterior landscaped areas except those specifically enclosed by a courtyard. Reserves for plant replacement and irrigation repairs shall be included in this agreement.
6. At any further date should the rear or side yards of any Lot about a golf course, all rear or side yards shall become subject to common landscape maintenance. All yards are to be landscaped with an automatic irrigation system and are subject to the architectural review.
7. All assessments for this maintenance, including reserves, are to be paid by those receiving the benefit of the maintenance.
8. Special Assessment for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property for which the reserve account is inapplicable or inadequate, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members voting in person or by proxy, at a meeting duly called for this purpose.
9. Uniform Rate of Assessment. Except as provided in Section 9 and 10, special assessments must be fixed at a uniform rate for all Lots and Living Units; provided, however, that at such time as one or more living units on a lot is assessed, the Lot shall no longer be assessed. A Living Unit shall be assessed at such time as an occupancy permit has been issued by the appropriate governing body.
10. Date of Commencement of Monthly Assessments. The annual assessments provided for herein shall commence no later than the first day of the month which commences 60 days following the conveyance of the first Lot or Living Unit to an owner other than Declarant. The first assessment shall be adjusted according to the number of months remaining in the calendar year;

11. The Board shall fix the amount of the assessment at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to the owners of every Lot or Living Unit subject thereto. In the event the Board fails to fix the amount of the assessment and give notice thereof, the assessment fixed for the preceding year shall continue until new assessments are fixed and notice given as provided herein. The assessments may be made payable on monthly, quarterly, or annual basis, as determined by the Board.

12. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage which was recorded before the assessment became due. Sale or transfer of any Lot or Living Unit shall not affect the assessment lien. However, the sale or transfer of any Lot or Living Unit pursuant to the foreclosure or deed in lieu of foreclosure of a first mortgage with priority over the lien shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, and such unpaid balances or assessments shall be deemed a common expense of the Association. No sale or transfer shall relieve such Lot or Living Unit from liability for any assessments thereafter becoming due or from the lien thereof. Junior lien holder or purchasers under them who acquire title to a Lot or Living Unit as a result of foreclosure of such junior lien shall take title subject to the lien or any unpaid assessments. In a voluntary conveyance of a unit, the grantee shall take title subject to the lien of any unpaid assessment.

Exemption from Assessments. No Lot or Living Unit owned by Declarant shall be subject to any annual or special assessment until it has been sold or leased to a person other than Declarant.

Individual Assessments. The Association may assess an owner individually for any common expense or any part of a common expense benefiting only that owner or that owner's lot or living unit and may assess an owner individually for common expenses incurred through such owner's fault or direction or failure to perform the obligations imposed on owners by this Declaration, the Bylaws, the Architectural Manual or rules and regulations. Further, an owner shall be assessed individually for fines, charges and expenses incurred by the Association in the process of collection of assessments or enforcement of this Declaration, the Bylaws, the Architectural Manual, or rules and regulations.