

breach or threatened breach of this Declaration, the Association Documents and rules of the Association and to enforce, by mandatory injunction or otherwise, the provisions of this Declaration, the Association Documents, and rules of the Association.

ARTICLE IV

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, hereinafter referred to as "Annual Assessments," (2) special assessments for capital improvements, hereinafter referred to as "Special Assessments," and (3) specific assessment for acquired indebtedness hereinafter referred to as "Specific Assessments" such assessments to be established and collected as hereinafter provided. The Annual, Special and Specific Assessments, hereinafter collectively referred to as "Assessments," together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each Assessment is made. The Assessments, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessments fell due. However, the personal obligation of an Owner for

delinquent Assessments shall not pass to said Owner's successors in title unless expressly assumed in writing by such successor.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of carrying out the rights and obligations of the Association as defined in this Declaration, including but not limited to the acquisition, management, insurance, improvement, restoration, renovation, reconstruction, replacement, and maintenance of the Common Area; the maintenance of a reserve fund for the replacement of the Common Area and all improvements thereon, anticipated to be required in the future; the enforcement of the Declaration and Association Documents; the enforcement of Design Standards of the Architectural Control Committee; the payment of operating costs and expenses of the Association; and the payment of all principal and interest when due and all debts owed by the Association.

Section 3. Annual Assessment. The Annual Assessment shall be used exclusively to promote the recreation, health, safety and welfare of the residents within the Property, including (i) the operation, management, maintenance, repair, servicing, security, renewal, replacement and improvements of the Common Area and those other responsibilities as outlined herein, and (ii) all other general activities and expenses of the Association, including the enforcement of this Declaration. The Annual Assessment commencing January 1, 1995 shall be Three hundred Twenty-five Dollars (\$325.00).

Section 4. Maximum Annual Assessment. Until January 1, 1996, the Annual Assessment will not exceed Three Hundred Twenty-Five Dollars (\$325.00) per year per Lot due at the transfer from builder to resident. At least thirty (30) days before the expiration of each year, the Board will prepare and distribute to each Owner a proposed budget for the Association's operations during the next ensuing year. If such budget requires an Annual Assessment of not more than one hundred fifteen percent (115%) of the Annual Assessment then in effect, the assessment so proposed will take effect at the commencement of the next ensuing year without further notice to any Owner. If such budget requires an Annual Assessment that is more than one hundred fifteen percent (115%) of the Annual Assessment then in effect, however, the Board must call a membership meeting as stated herein. A majority of those Members present and authorized to vote and voting is sufficient for such approval, and the assessment approved will take effect at the commencement of the next ensuing fiscal year without notice to any Owner. If the proposed assessment is disapproved, a majority of the Members present who are authorized to vote and voting will determine the Annual Assessment for the next ensuing fiscal year, which may be any amount not exceeding that stated in the meeting notice. Each Annual Assessment may be payable in such number of installments, or without interest, as the Board determines. In the absence of any valid action by the Board or the membership to the contrary prior to the commencement of any fiscal year, the Annual

Assessment then in effect automatically will continue for the ensuing fiscal year.

Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessments 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 Area, including fixtures and personal property related thereto, or the perimeter screening as referred to herein, provided that any such Special Assessment shall have the assent of two-thirds (2/3) of those Members entitled to vote, as defined herein, who are voting in person or by proxy at a meeting duly called for this purpose. Any such Special Assessment may be payable in one or more installments with or without interest as determined at the meeting.

Section 6. Specific Assessments. Any and all accrued, liquidated indebtedness of any Owner to the Association arising under any provision of this Declaration, or by contract, express or implied, or because of any act or omission of any Owner or person for whose conduct such Owner is legally responsible, also may be assessed by the Association against such Owner's Lot after such Owner fails to pay such indebtedness within thirty (30) days after written demand.

Section 7. Property Taxes. Because no person other than an Owner has the right to the beneficial use and enjoyment of the Common Area, Declarant intends that the value of the interest of

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each Owner in the Common Area entitled to its use be included in the assessment of each such Lot for local property tax purposes against the Common Area, and that the separate valuation of said Common Area, if any, shall be for a nominal amount only, reflecting that the full value thereof is included in the several assessments of the various Lots. If the local taxing authorities refuse to so assess the Common Area with the result that local real property taxes in any given year are assessed to the Association with respect to the Common Area in excess of Five Hundred and No/100 Dollars (\$500.00), and in the event the Annual Assessment does not include any such excess property taxes on the Common Area, then the amount of such excess may be specially assessed by the Board of Directors in its discretion in the following manner: the amount of such excess with respect to the Common Area shall be divided by the number of Lots within the Property and the quotient shall be the amount of such special assessment may be payable in a lump sum within thirty (30) days after notice or may be amortized without interest over such number of months as the Board deems advisable. Each year the Board shall determine whether such assessment shall be levied, and its amount, without interest over such number of months as the Board deems advisable. Each year the Board shall determine whether such assessment shall be levied, and its amount, within forty-five (45) days after receiving notice of the amount of taxes due.

Section 8. Notice and Quorum for Any Action Authorized Under Article IV. Written notice of any meeting called for the purpose

of taking action authorized to increase the Annual Assessment shall be sent to all Members authorized to vote not less than 10 days nor more than 30 days in advance of the meeting; and for all other Assessments notice shall be sent to all Members authorized to vote not less than 10 days in advance of the meeting.

Section 9. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and will be collected on a yearly basis, except that Declarant, in its sole discretion, in lieu of paying Annual Assessments may contribute to the Association such amounts as are necessary to fund any difference between the Association's operating expenses (excluding reserves and assessments for capital expenditures) and the Annual Assessments collected from Owners other than Declarant.

Section 10. Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all sums collected in such year by way of Annual Assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purpose.

Section 11. Date of Commencement. The Annual Assessments provided for herein shall commence as to all Lots as of the first day of the month following the recording of this Declaration.

Section 12. Certificate as to Status of Payment. Upon written request of an Owner, the Association shall, within a reasonable period of time, issue a certificate to that Owner giving the status of all Assessments, including penalties, interest and costs, if any, which have accrued to the date of the certificate. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided shall be conclusive and binding with regard to any matter therein stated. Notwithstanding any other provision of this Section, a bona fide purchaser of a Lot from an Owner to whom such a certificate has been issued shall not be liable for any Assessments that became due before the date of the certificate that are not reflected thereon and the Lot acquired by such a purchaser shall be free of the lien created by this Article to the extent any such Assessment is not reflected.

Section 13. Assessment Lien. All sums assessed to any Lot, together with interest and all costs and expenses of collection (including reasonable attorneys' fees for trial and all appellate proceedings), are secured by a continuing lien on such Lot in favor of the Association. Such lien is subject and inferior to the lien for all sums secured by any first Mortgage encumbering such Lot, as provided herein; but all other Persons acquiring liens on any Lot after this Declaration is recorded are deemed to consent that such liens are inferior to the lien established by this Declaration whether or not such consent is set forth in the instrument creating such lien. The recording of this Declaration constitutes

constructive notice to all subsequent purchasers and creditors, or either, of the existence of the Association's lien and its priority. The Association from time to time may, but is not required to, record a notice of lien against any Lot to further evidence the lien established by this Declaration.

Section 14. Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or at such rate as the Board may from time to time establish provided, however, that in no event shall the Association have the power to establish a rate of interest in violation of the law of the State of Florida. Additionally, delinquent assessments and installments thereof not paid when due shall bear an administrative late fee in an amount set by the Board. The Board may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Property. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the Associations' lien or its priority., No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot. All payments made shall first be credited to interest, late fees, costs and attorney fees, if any, and then to the principal amount due.

Section 15. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the

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lien of any first Mortgage. Sale or transfer of any Lot shall not affect an Assessment lien, except the sale or transfer of any Lot pursuant to the foreclosure of a first Mortgage or any proceeding or conveyance in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer, without prejudice however, to the Association's right to collect such amounts from the Owner personally liable for their payment. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Any encumbrancer holding a lien on a Lot may pay, but is not required to pay, any amount secured by the lien created by this Article; and such encumbrancer then will subrogate to all rights of the Association with respect to such lien, including priority, to the extent of such payment.

Section 16. Homesteads. By acceptance of a conveyance of title to any Lot, each Owner is deemed to acknowledge conclusively that (i) the assessments established by this Article are for the improvement and maintenance of any homestead thereon; (ii) the Association's lien for such assessments has priority over any such homestead; and (iii) such Owners irrevocably waive the benefit of any homestead exemption otherwise available with respect to all amounts validly secured by such lien.