

ARTICLE VI ASSESSMENTS

Section 1. Purpose of Assessment The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

Section 2. Creation of the Lien and Personal Obligation for assessment. Each Owner of any Lot, by acceptance of a deed to the lot, whether or not stated in the deed, covenants and agrees to pay to the Association: (a) common assessments or charges; (b) special assessments; and (c) specific assessments. All assessments, together with late charges, interest (not to exceed the maximum legal rate), costs, and reasonable attorney's fees actually incurred, shall be (a) a charge on land and a continuing lien upon the Lot against which each assessment is made; and (b) the personal obligation of the Person who is the Owner of the Lot at the time the assessment becomes due. The grantee of each Owner shall be jointly and severally liable for the portion of an assessment as is due and payable at the time of transfer Of the Lot. However, the liability of a grantee for the unpaid assessments of an Owner shall not apply to any first Mortgage holder taking title through foreclosure proceedings or by deed in lieu of foreclosure, provided, however any first mortgage holder who takes tide through foreclosure proceedings or by deed in lieu of foreclosure shall be Liable for all assessments due after the of foreclosure.

The Association shall, within five (5) days after receiving a written request and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association setting forth whether assessments on a specified Lot have been paid. A properly executed certificate of the Association certifying the status of assessments on a Lot shall be binding upon the Association as of the date of issuance.

Assessments shall be levied equally on all Lots within the Community, and shall be paid in such manner and on such dates as are fixed by the Board of Directors. Upon ten (10) days written notice, the Board may accelerate the annual assessment for delinquents. Unless the Board provides otherwise by resolution, assessments shall be paid in monthly installments.

Section 3. Computation of Annual Assessments It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated common expenses of tie Association during the coming fiscal year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared.

The common assessment to be levied against each Lot for the coming year shall be set at a level which is reasonably expected to produce total revenue to the Association equal to the total budgeted common expenses, including reserves. In determining the level of assessments, The

Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of lots subject to assessment on the first day of the fiscal year for which the budget is prepared and the number of lots reasonably anticipated to become subject to assessment during the fiscal year. So long as the Declarant has the right unilaterally to annex additional property pursuant to Article IX, on an annual basis, the Declarant may elect, but shall not be obligated, to reduce the assessment for any fiscal year by payment of a subsidy. However, any Declarant subsidy shall be conspicuously disclosed as a line item in the income portion of the common expense budget. If the Declarant elect* to pay a subsidy the amount of the subsidy shown on the budget shall be an estimate only and the Declarant shall only be obligated to fund such subsidy to the extent of any actual operating deficit. The payment of a subsidy in one year shall under no circumstances obligate the Declarant to continue payment of a subsidy in future years. The Declarant's option to subsidize the assessment may be satisfied in the form of cash, or by "in kind" contributions of services or materials, or a combination of these.

The Board shall deliver or mail a copy of the common expense budget and notice of the amount of the assessment for each lot to each Owner at least thirty (30) days prior to the beginning of the fiscal year. The budget and assessment shall become effective unless disapproved at a meeting by a Majority of the total Association (or, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article [X, by the Declarant). There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Owners as provided in the Bylaws. The petition must be presented to the Board within ten (10) days of delivery of the notice of assessments.

Notwithstanding the above, in the event the proposed budget is disapproved or the Board fails to prepare and distribute the budget for any year then until such a is prepared and distributed, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4. Special Assessments. In addition to the other assessments authorized herein, the Association may levy special assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Special assessments must be approved by Owners holding at least two-thirds (2/3) of the votes present in person or by proxy at a duly called meeting held for such purpose and the Declarant (so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article IX). Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the assessment is imposed.

Section 5. Lien for Assessments. All assessments levied against any Lot, together with late charges, interest, and reasonable attorney's fees actually incurred, shall be secured by a lien on the Lot in favor of the Association. The Association shall have the right, but not the obligation to evidence the existence of the lien by filing a notice of lien in the Clerk of the Superior Courts office. The lien shall be superior to all other lien and encumbrances on the Lot. except for (a) liens for ad valorem taxes; or (b) liens for all sums unpaid on a first Mortgage or on any Mortgage to Declarant duly recorded in the Clerk of the Superior Court records.

All Persons acquiring liens or encumbrances on any Lot after this Declaration has been recorded, other than as provided above, shall be deemed to consent that their liens or encumbrances shall be inferior to future liens for assessments, whether or not prior consent is specifically set forth in the instruments creating their liens or encumbrances.

Section 6. Nonpayment of Assessments Remedies of Association. Any assessments or installments of assessment which are not paid when due shall be delinquent Any assessment or installment delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board may from time to time determine, which shall not exceed fifteen (15%) percent of the assessment payment. The Association shall cause a notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien shall attach and, in addition, the lien shall include the late charge, interest at a rate not to exceed the highest rate allowed under Georgia law, and all late charges from the date first due and payable. all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. The existence of the lien may, but is required to be, evidenced by the filing of a notice of lien in the Clerk of the Superior Courts office. In the event that the assessment remains unpaid after sixty (60) days. the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the lien. The lien provided for in this Article Shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the Lot.

NO Owner may waive or otherwise exempt himself or herself from liability for assessments. by abandoning the Lot or in any other manner. The obligation to pay assessments is a separate and independent covenant on the part of each Owner and no reduction of any assessment shall be claimed or allowed by reason of (a) any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or the Bylaws, (b) for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or

(c) from any action by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest and then to delinquent assessments.

Section 7. Date of Commencement of assessment Assessments shall commence as to a Lot on the first day Of the month following the conveyance of the Lot to a Person other than (a) the Declarant, or (b) a builder or developer who purchases the Lot for the purpose of construction of a residence and resale of the Lot and residence. The Declarant or a builder or developer who purchases a Lot for the purpose of construction of a residence and resale of the Lot and residence shall not be responsible for the payment of any type of assessment except as provided herein; provided, however, assessments shall commence on Lots containing occupied residences that are owned by Declarant or any builder or developer on the first day of the month following the occupancy of the residence located on the Lot. Lots which have not been conveyed as provided above shall not be subject to assessment. The first annual common assessment shall be adjusted according to the number of months then remaining in that fiscal year.

Section 8. Specific Assessments. The Board shall have the power to specifically assess specific Lots pursuant to this Section as, in its discretion, it shall deem appropriate which shall include, but not be limited to, the right to assess a membership fee to each new lot owner upon the conveyance of said lot to same. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section to the future with respect to any expenses. including an expense for which the Board has not previously exercised its authority under this Section. Fines levied pursuant to Article XIII, Section I and the costs of maintenance performed by the Association which the Owner is responsible for under Article V, Sections I and 2 shall be specific assessments. The Board may also specifically assess Lots for the following Association expenses, except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association:

- (a) Expenses of the Association which benefit less than all of the lots in the Community may be specifically assessed equitably among all Of the Lots which are benefited according to the benefit received.
- (b) Expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

Section 9. Initial Annual Dues Assessment. Until further action of the Board to the contrary, and subject to the provisions of Section 7. above, each Lot owner's first assessment. shall be payable at the time the said Lot owner(s) closes the purchase of their property within the Community.

Section 10. Initial Membership Initiation Assessment. Until further action of the Board to the contrary, and subject to the provisions of Section 7, above. a one-time initial Membership Initiation Assessment (or Membership Initiation Fee), as fixed by the Board of Directors, shall be due and payable for each Lot at closing.