

Covenant for Assessments

6.1 Covenant for Assessments. Declarant, for each Residential Site within the Property, hereby covenants, and each Owner, by acceptance of a deed (or other conveyance) to a Residential Site, whether or not it shall be expressed in such deed or other conveyance, is deemed to covenant and agree to pay to Declarant (i) the Transfer Assessments described below and (ii) the Annual Assessments levied in accordance with Section 6.4 hereof. The Assessments, if not paid when due, together with interest thereon and the costs of collection thereof, shall be a charge upon each Residential Site and shall be a continuing lien upon such Residential Site, against which the Assessment is levied. Each Assessment, together with interest thereon and the costs of collection, including reasonable attorneys fees, shall also be the personal obligation of the person who was the Owner of the respective Residential Site at the time that the Assessment became due. Such personal obligation shall pass to said Owner's successors in title if not fully discharged by the transferor Owner prior to any transfer of said Residential Site, but such transfer shall not relieve the former Owner of personal liability for any assessment levied while such Owner was in title.

6.2 Purpose and Use of Assessments. The Assessments shall be paid to Declarant and shall in Declarant's sole discretion be used and applied exclusively for the administration, care and maintenance of the Preserve and, in Declarant's sole discretion, areas subject to the Preservation Easement. While Declarant expects the Preserve to be exempt from real estate taxation, the Assessments may be used for the payment of general real estate taxes and special assessments which may be levied by any governmental body. The Assessments may also, in Declarant's sole discretion, be used and applied to services and facilities devoted to or serving the Preserve, including, without limitation, enforcing Declarant's rights under the Preservation Easement, and any costs incurred by the Architectural Control Committee under Article V hereof. All Assessments levied and collected by Declarant shall be maintained in a separate account, referred to herein as the "Preserve Reserve." Funds may be withdrawn from the Preserve Reserve by Declarant and expended for the purposes herein provided. No interest shall be paid on any funds in the Preserve Reserve, and the Preserve Reserve shall remain at all times the separate and sole property of Declarant and under Declarant's exclusive control.

6.3 Transfer Assessment. An assessment shall be levied at the date upon which each Owner sells its respective Residential Site (including the transfer of beneficial interest in a land trust holding title to the Residential Site or any other transfer of beneficial ownership in the Residential Site), the amount of which assessment shall be \$5.00 for each \$1,000.00 of full actual consideration paid by the buyer to or for the benefit of the Owner, including the amount of any lien or liens assumed by the buyer. This Assessment shall be levied notwithstanding the fact that Declarant may have then accumulated a reserve. Payment of the Transfer Assessment shall be the responsibility of the buyer of the Residential Site.

6.4 Annual Assessments. In addition to the Transfer Assessment, Declarant may levy in each calendar year an Annual Assessment not to exceed \$500.00 on each Residential Site, provided, however, that there shall be no Annual Assessment levied if the amount in the Preserve Reserve is greater than \$20,000 prior to the levy of such Annual Assessment. Annual Assessments shall be the same amount for each Residential Site, notwithstanding the size of the Residential Site. Annual Assessments shall be due at such time as Declarant may determine, but in no event sooner than thirty (30) days earlier than the date of notice thereof to the Owners. The amount of the limitation on Annual Assessments and the requirement regarding the amount in the Preserve Fund shall be adjusted annually in accordance with increases or decreases in the Consumer Price Index published by the United States Bureau of Labor Statistics, or such comparable index which may be developed as a successor thereto and may be in common use.

6.5 Delinquent Assessments. If any Assessment is not paid when due, such assessment shall bear interest from and after the due date at the rate of eighteen percent (18%) per annum or the highest applicable legal rate, if any, whichever is less. In addition, Declarant may bring an action at law against the Owner personally obligated to pay the delinquent Assessment or may foreclose its lien against the Residential Site of the delinquent Owner. In either event, there shall be added to the amount of the delinquent Assessment, interest and the costs of collection, including reasonable attorney's fees and all court costs. Interest and costs of collection shall constitute liens against the Residential Site with respect to which they have accrued or been incurred, and such liens shall be effective from the time that such interest has accrued or such collection costs have been incurred, without notice to the Owner of such Residential Site.

6.6 Priority of Lien for Assessments. The liens for Assessments shall be subordinate to the liens of any Mortgage now or hereafter recorded against the Residential Site, provided that the Mortgage is recorded prior to the delinquency of the Assessment.

6.7 Certificate of Payment. Declarant shall, upon reasonable written request, furnish to any Owner, with respect to such Owner's Residential Site, a certificate signed by an officer or authorized agent of Declarant setting forth whether the Assessments on such Residential Site have been paid and the amount of delinquency (including interest and collection expenses, if any).