\* *DISCLAIMER* – The following list of by-laws has been retyped using the original hard copy and should not be referenced as the official version. Those interested in obtaining an official copy of the covenants or the by-laws should pursue them through the proper channels.

\**NOTE* - The blue underline words are to be used as summary of the list for quick reference. They are not included in the official bylaws.

**BY-LAWS OF CREEKSIDE VILLAGE HOMEOWNERS ASSOCIATION, INC. – ADOPTED FEBRUARY 24, 2004**

**ARTICLE E – Annual General Assessments**

1. Liens The declarant, for each lot owned, hereby covenants and each owner of any lot, by acceptance of a deed for same (whether or not it shall be so expressed in such deed), assessments or charges as hereinafter provided. The Annual general assessments, together with interest, costs and reasonable attorneys’ fees, shall be a charge and lien on the land and, subject to the provisions of paragraph 7 of the article, shall be a continuing lien upon the property against which each assessment is made. Furthermore, each such assessment, together with interest, cost, and reasonable attorneys’ fees, shall also be the personal obligation of the person who was the owner of the lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title to a lot unless expressly assumed by them but, subject to the provision of this declaration, delinquent assessments shall continue to be a lien upon such lot.
2. Payable Date Until December 31, 2007, the annual general assessment shall be $50.00 per, year, payable on or before January 1 of each year.

**A** Increase Rules W/O Vote From and after December 31, 2088, the annual general assessment may be increased each year not more than twenty-five percent (25%) above the assessment for the previous year without any vote of the membership.

**B** Increase Rules W/Vote From and after December 31, 2009, the annual general assessment may be increased by an amount greater than twenty-five percent (25%) of the assessment for the previous year provided the proposed increase is approved by a two-thirds (2/3) of each class of members who are voting in person or by a proxy, at a meeting duly called for this purpose.

**3** Board Fix Assessments The board of directors may fix the annual general assessments which come due after December 31, 2010, at an amount not in excess of the ceiling established herein.

**4** Assessment Notices Once the annual general assessment has ben set, notice of the annual general assessment shall be given to all lot owners. It is provided, however, that no owner is relieved from the obligation to pay the assessment because of failure to give such notice. After the initial notice of the assessment, no bills for such assessment will be forwarded to any owner but such assessment thereafter shall become due and payable as provided by the board of director.

**5** Annual Budget As provided in the bylaws and subject to the restrictions and limitations provided herein, the board of directors shall establish an annual budget in advance for each fiscal year. Which may be required for proper operation, management and maintenance of the corporation and the common areas, including a reasonable allowance for contingencies and reserves. The budget Shall take into account any projected or anticipated income. The board of directors shall keep separate, in accordance with paragraph F hereof, items relating to the daily operation, management and maintenance of the corporation and common areas form items relating to capital improvements. Upon adoption of such annual budget by the board of directors, copies of said budget shall be delivered to each owner and the assessment for said year shall be established, subject to the restrictions and limitations provided herein, based upon such budget; however, the non-delivery of a copy of said budget to each owner shall not affect the liability of any owner for such assessment. The annual budget shall be decided by the number of lots subject to the annual general assessments at the time of the annual meeting of the members and the quotient shall be the annual general assessment per lot for the succeeding fiscal year. In determining the number of lots subject to the annual general assessments, any lot which is owned by a Class B member shall only be considered one-forth (1/4) of a lot.

**6** Capital Improvement Fund The board of directors, in establishing the annual budget for operation, management and maintenance of the corporation and common areas, shall designate therein a sum to be collected and maintained as a reserve fund for the periodic maintenance, repair and replacement of capital improvements to the common areas, which capital improvement and replacement fund (capital improvement fund) shall be for the purpose of enabling the corporation to maintain, repair or replace structural elements and mechanical equipment constituting a part of the common areas, as well as tree planting and removal and the replacement of personal property which may constitute a portion of the common area as held for the joint use and benefit of the owners. The amount to be allocated to the capital improvement fund may be established by said board of directors so as to collect and maintain a sum reasonably necessary to anticipate the need for repair, maintenance and replacement of capital improvements to the common areas. The amount collected for the capital improvement fund shall be maintained in a separate account by the corporation and such monies shall be used only for periodic maintenance, repair and replacement of capital improvements to the common areas. The capital improvement fund shall be maintained out of the annual general assessments. Any interest earned on monies in the capital improvement fund may, in the discretion of the board of directors, be expended for daily operation, management and maintenance of the corporation and common areas.

1. Monies All monies collected by the corporation shall be treated as the separate property of the corporation and such monies may be applied by the corporation to the payment of any expense of operating and managing the corporation, or the property undertaking of all acts and duties imposed upon it by virtue of the declaration, the articles and the bylaws, except that monies placed in the capital improvement fund shall be used only for the specified purposes of said fund. As monies for any assessment are paid into the corporation by any owner, the same may be commingled with monies paid to the corporation by the owner owners. Although all funds, including other assets of the corporation, and any increments thereto or profits derived therefrom or from the leasing or use of common areas, shall be held for the benefit of the members of the corporation, no member of the corporation shall have the right of assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his lot. When the owner of a lot shall cease to be a member of the corporation by reason of his divestment of ownership of such lot, by whatever means, the corporation shall not be required to account to such owner for any share of the fund or assets of the corporation, as all monies which any owner has paid to the corporation shall be and constitute an asset of the corporation which may be used in the operation and management of the corporation.
2. Quorum Notices Written notice of any meeting called for the purpose of taking any action authorized under paragraph 2b shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required at the preceding meeting. No such subsequent meeting shall be held more than sixth (60) days following the preceding meeting.
3. Fixed Assessments Annual and special assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all lots. However, for so long as there is a Class B member of the corporation, the lots owned by the Class B member shall be liable for and the Class B member shall pay on each lot as an annual general assessment only twenty percent (20%) of the amount of the annual general assessment then being levied by the corporation on each lot. This reduction in the amount of annual general assessments due on lots owned by the Class B member shall terminate as to a particular lot upon the lot being conveyed by the Class B member by deed, lease or rental agreement (excluding mortgage or deed of trust) to any person other than declarant; further, this reduction in the amount of annual general assessments due by the Class B member shall cease upon the termination of Class B membership as herein provided.
4. Payable Date & Delinquency The annual general assessments provided for herein shall commence as to all lots on January 1 of the year following the conveyance of the common areas to the corporation. The annual general assessments shall be payable annually on or before January 1 of each year. The payment of any assessment or installment thereof shall be in default if such assessment or installment is for such payment. When in default, the delinquent assessment shall bear interest at the rate of ten percent (10%) per annum until such delinquent assessment and all interest due thereon has been paid in full.
5. Pay Expenses The annual general assessment levied by the corporation shall be used exclusively to improve, maintain and repair the common areas, to pay the expenses of the corporation, to pay the cost of tree planting and removal, to pay the cost of mowing and lighting the common areas, to pay the cost of any insurance the health, safety and welfare of the members. Taxes hazard insurance, and maintenance on dwellings and lots shall not be a purpose of said assessment; but rather, shall be an individual cost to be borne by each lot owner.
6. Assessment Certificates The corporation shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the corporation setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the corporation as to the status of assessments on a lot is binding upon the corporation as of the date of its issuance.
7. Liens & Property Sale The lien of the assessments provide for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to foreclosure of a first mortgage or any proceeding in the lien therefor, shall extinguish the lien on such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.