**ARTICLE VIII**

**Covenants for Assessments**

 **Section 1. “Creation of the Lien and Personal Obligation of Assessments”. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, 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; and**
2. **Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.**

**Section 2. “Purpose of Assessments”. The assessments levied by the Association shall be used exclusively for the administration, acquisition, improvement and maintenance of properties, and providing the services and facilities devoted to this purpose, materials, management, maintenance and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the establishment of the adequate reserve for the maintenance, repair and replacement of the improvements in the Common Area, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.**

**Section 3. “Amount of Annual Assessment”. The maximum annual assessment for each Lot in the Properties shall be payable annually in advance, and the amount thereof shall be determined by the Board**

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**of Directors for each year and may be increased by the Board of Directors without approval by the membership by an amount not to exceed Ten Percent (10%) of the maximum annual assessment of the previous year. However, the maximum annual assessment may be increased without limit by the affirmative vote of Two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose. When the Board of Directors fixes the annual assessments for each calendar year, the Board shall, at the same time and in connection therewith prepare, or cause to be prepared, an annual budget showing the services furnished by the Association and the costs thereof per Lot. The initial maximum annual assessment shall not be more than ~~XXXXX~~ Six Hundred and no/100 ~~(XXXXXX)~~ (600.00) Dollars.**

 **Section 4. “Special Assessments for Capital Improvements”. In addition to the annual assessments authorized above, the Association may levy, in any calendar 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 the necessary fixtures and personal property related thereto, or for the repair or reconstruction of residences as hereafter provided, provided that any such assessment shall have the assent of Two-Thirds (2/3) of the votes cast in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots.**

 **Section 5. “Notice and Quorum for any Action Authorized under Sections 3 and 4”. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 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 proxies entitled to cast Seventy-Five Percent (75%) of all of the votes of each class of membership shall constitute a quorum.**

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 **Section 6. “Uniform Rate of Assessments”. Both annual and special assessments shall be fixed at a uniform rate for all Lots and shall be collected on an annual basis, or any other basis approved by theBoard of Directors.**

 **Section 7. “Date of Commencement of Annual Assessments Due
Dates”. The annual assessments provided for herein shall commence as to all Lots on the date of the conveyance of the first lot by the Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessments, the Board of Directors shall fix the amount to the annual assessment and have every Owner subject thereto written notice of each assessment. Due dates shall be established by the Board of Directors.**

 **Section 8. “Effect of Nonpayment of Assessments; Remedies of the Association”. Any annual assessment not paid within thirty (30) days after the due date shall bear interest from the due date at that rate which is equal to the rate of interest chargeable by law in the State of South Carolina on money judgments. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in like manner as a mortgage of real property, and, in either event, interest, costs and a reasonable attorney’s fee shall be added to the amount of such assessment. Upon exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the annual assessment due and payable and collect the same through foreclosure.**

 **Section 9. “Subordination of Lien to Mortgagees”. The lien provided of the assessments for herein shall be subordinate to (1) the lien of any first mortgage, and (2) the lien of any unpaid ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant**

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**to a mortgage foreclosure or any proceeding in lieu of foreclosure shall extinguish the lien of such assessments as to the payments which became due prior to such sale or transfer. No such sale or transfer shall release such Lot from liability for any assessments thereafter becoming due or from the lien thereof.**