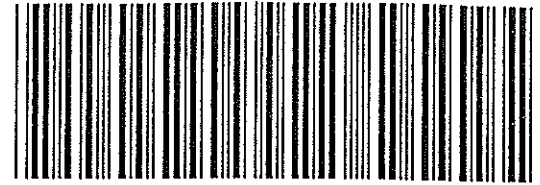


WHEN RECORDED, MAIL TO:

Fulton Homes Corp.
4625 S. Wendler Drive, Suite 204
Tempe, Arizona 85282

Security Title



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

94-0510304 06/30/94 02:16

LILIAN 1 OF 1

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
CAYMAN SQUARE UNITS I AND II
GILBERT, ARIZONA**

THIS DECLARATION is made and entered into on the date set forth at the end hereof by Fulton Homes Corporation, an Arizona corporation (the "Declarant"). Declarant is the Trustee of certain real property situated in the Town of Gilbert, County of Maricopa, State of Arizona legally described as follows:

Lots 1 through 145 inclusive and Tracts A through H of CAYMAN SQUARE UNIT I according to the Plat thereof recorded in Book 378 of Maps, Page 47 of the Official Records of Maricopa County, Arizona Recorder.

Lots 146 through 322 inclusive and Tracts I through N of CAYMAN SQUARE UNIT II according to the Plat thereof recorded in Book 378 of Maps, Page 48 of the Official Records of Maricopa County, Arizona Recorder.

Declarant hereby declares that the Project, as hereinafter defined, and all Lots and Common Area therein, shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved subject to the following declarations, limitations, easements, covenants, conditions and restrictions, shall of which are and shall be interpreted to be for the purpose of enhancing and protecting the value and attractiveness of the Project and all Lots therein. All of the limitations, covenants, conditions and restrictions shall constitute covenants which shall run with the land and shall be binding upon Declarant, its successors and assigns and all parties having or acquiring any right, title or interest in or to any part of the Project.

ARTICLE I**DEFINITIONS****SECTION 1**

"Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating, insuring and managing, as applicable, the Common Area and operating the Association, which is to be paid by each Lot Owner as determined by the Association and as provided herein.

SECTION 2

"Association" shall mean the Cayman Square Homeowners Association, an Arizona nonprofit corporation. The Association shall be established by the filing of its Articles of Incorporation (the "Articles") and governed by its Bylaws (the "Bylaws").

SECTION 3

"Board" or "Board of Directors" shall mean the governing body of the Association.

SECTION 4

"Committee" shall mean the Architectural Control Committee for the Project established pursuant to Article VII of this Declaration.

SECTION 5

"Common Area" shall mean the landscaped areas including Tracts A through H located within CAYMAN SQUARE UNIT I and Tracts I through N located within CAYMAN SQUARE UNIT II.

Common Area shall include all structures, walls, improvements and landscaping thereon and all rights, easements and appurtenances relating thereof. The Common Area will be free of all monetary liens and encumbrances for the benefit of all of the Owners upon completion of all of the improvements designed therefor and approved by the Veteran's Administration (if that agency has approved the proposed development plans of the Project) and the Town of Gilbert prior to the conveyance of the First Lot in a Phase within which common area is included to an Owner other than the Declarant.

Every Owner shall have a right and easement of ingress and egress and enjoyment in, over and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the right of the Association to suspend the Association (with requisite Owner consent) to dedicate or transfer Common Area to any public agency, authority or utility company as provided in the Articles. Any Owner may delegate, in accordance with the Project Documents, his right of enjoyment to the Common Area facilities thereon to members of his family, tenants and contract purchasers who reside on his Lot.

SECTION 6

"Developer" shall mean Fulton Homes Corporation, an Arizona corporation, and its successors and assigns. Declarant and Developer are identified as the same entity.

SECTION 7

"First Mortgage" shall mean any mortgage (which includes a recorded deed of trust and a recorded contract of sale as well as a recorded mortgage) which is a first priority lien on any Lot.

SECTION 8

"First Mortgagee" shall mean the holder of a First Mortgage.

SECTION 9

"Lot" shall mean one of the separately designated Lots in the Project as shown on the Plat, together with any improvements thereon. Each numbered and lettered parcel in the Project is a separate freehold estate.

SECTION 10

"Member" shall mean those persons entitled to Membership in the Association as provided herein.

SECTION 11

"Owner" shall mean the record holder of title to a Lot in the Project. This shall include any person having fee simple title to any Lot in the Project, but shall exclude persons

or performance of any obligation. Further, if a Lot or other property is sold under a recorded contract of sale or subdivision trust to a purchaser, the purchaser, rather than the fee owner, shall be considered the "Owner" as long as he or a successor in interest remains the contract purchaser or purchasing beneficiary under the recorded contract or subdivision trust.

SECTION 12

"Phase" shall mean those certain lots and tracts as sequenced by phased development of the Project and as provided for in Article VIII of this Declaration.

SECTION 13

"Plat" shall mean that certain plat of CAYMAN SQUARE UNIT I recorded in Book 378 of Maps, Page 47 and CAYMAN SQUARE UNIT II recorded in Book 378 of Maps, Page 48 of the Official Records of the Maricopa County, Arizona Recorder, together with any other plats of all or any portion of the Project, as the same are amended from time to time.

SECTION 14

"Project" shall mean only that certain real property shown on the Plat.

SECTION 15

"Project Documents" shall mean and include this Declaration, as it may be amended from time to time, the exhibits, if any, attached hereto, the Plat, the Articles and Bylaws and any "Rules and Regulations" adopted from time to time by the Association as provided herein or in the Bylaws.

ARTICLE II ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS OF THE ASSOCIATION

SECTION 1: BASIC DUTIES OF THE ASSOCIATION

The management of the Common Area shall be vested in the Association in accordance with this Declaration and the Articles and Bylaws. The Owners covenant and agree that the administration of the Project shall be in accordance with the provisions of the Project

administration of the Project shall be in accordance with the provisions of the Project Documents, subject to the standards set forth in all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Project. In addition to the duties and powers enumerated in the Bylaws and the Articles, and without limiting the generality thereof, the Association shall have the duties and powers as set forth in Article III below and elsewhere in this Declaration.

SECTION 2: MEMBERSHIP

The Owner of a Lot shall automatically, upon becoming the Owner of same, be a Member of the Association and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his Membership in the Association shall automatically cease. Tenants shall not have any voting or Membership rights in the Association by virtue of their occupancy of any Lot or house thereon.

SECTION 3: TRANSFER OF MEMBERSHIP

Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of ownership of the Lot to which it is appurtenant, and then automatically to the new Owner as provided in Section 2 of this article above. Any attempt to make a prohibited transfer is void. Upon the transfer of an ownership interest in a Lot, the Association shall record the transfer upon its books, causing an automatic transfer of Membership as provided in Section 2 of this article above.

SECTION 4: MEMBERSHIP CLASSES

The Association shall have two (2) classes of voting Membership established according to the following provisions:

A. Class A Membership shall be that held by each Owner of a Lot other than Declarant (while two classes of Membership exist), and each Class A Member shall be entitled to one (1) vote for each Lot owner. If a Lot is owned by more than one (1) person, each such person shall be a Member of the Association but there shall be no more than one (1) vote for each Lot.

B. Class B Membership shall be that held by Declarant (including any successor or co-Declarant as provided in Section 4 of Article IX below) which shall be entitled to three (3) votes for each Lot owned by Declarant, provided that Class B Membership shall be converted to Class A Membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

(1) One hundred twenty (120) days following the first date after Declarant has conveyed 242 Lots in the Project to Owners other than Declarant;

(2) The seventh anniversary of the close of escrow for the sale of the first Lot by Declarant.

In the event Declarant elects to partially assign or convey its Declarant rights reserved hereunder to a Developer as provided more fully in Section 4 of Article IX, the voting rights of all Lots owned by Declarant and said Developer as co-Declarant, and/or their successors and assigns, shall be added together solely for purposes of determining the conversion of Class B Membership to Class A Membership. Notwithstanding the foregoing, Declarant and any co-Declarant may voluntarily convert their respective Class B Membership to Class A Membership with the prior consent of the other Declarant(s) at any time by giving written notice to the Association.

SECTION 5: ASSOCIATION VOTING REQUIREMENTS

Any action by the Association which must have the approval of the Association Membership before being undertaken shall require (i) the vote of fifty-one percent (51%) of the Membership present and voting at a duly called and held meeting of the Membership; or (ii) the written assent of fifty-one percent (51%) of the Membership unless, in either case, another percentage is specifically prescribed by a provision within this Declaration, the Bylaws or the Articles.

SECTION 6: VESTING OF VOTING RIGHTS

Voting rights attributable to all Lots owned by Declarant shall vest immediately by virtue of Declarant's ownership thereof. Except for Declarant, no Owner of any Lot shall have any voting rights attributable to that Lot until an Assessment has been levied against that Lot and Owner by the Association pursuant to Article IV below.

SECTION 7: MEETINGS OF THE ASSOCIATION

Regular and special meetings of Members of the Association shall be held with the frequency, at the time and place and in accordance with the provisions of the Bylaws.

SECTION 8: BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws.

ARTICLE III

DUTIES AND POWERS OF THE ASSOCIATION

SECTION 1: MAINTENANCE

The Association shall maintain, paint, repair, replace, restore, operate and keep in good condition all of the Common Area, and all facilities, improvements, walls, equipment and landscaping thereon. The responsibility of the Association for maintenance and repair shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or neglect of an Owner or his guests, tenants or invitees. The repair or replacement of a portion of the Common Area or any Lot resulting from such excluded items shall be the responsibility and duty and/or recover damages for the breach thereof. Liability hereunder shall be limited to that provided for or allowed in the statutory or case law of the State of Arizona.

SECTION 2: INSURANCE

A. Public Liability Insurance. The Association shall obtain and continue in effect comprehensive public liability insurance insuring the Association, the Declarant, any other Developers, the agents and employees of each and the Owners and their respective family members, guests and invitees against any liability incident to the ownership or use of the Common Area, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured and a "severability of interest" endorsement precluding the insurer from denying coverage to one Owner because of the negligence of other Owners, other insurers or the Association. Such insurance shall be in amounts deemed appropriate by the Board but in no event shall the limits of liability for such coverage be less than \$1,000,000 for each occurrence with respect to bodily injury and property damage. In the event insurance proceeds are inadequate therefor, then the Association may levy a special Assessment on Lot Owners therefor as provided in Article IV. The Association's use of funds from its general account or levy of a special Assessment shall not constitute a waiver of the Association's or any Owner's right to institute any legal proceeding or suit against the person or persons responsible, purposely or negligently, for the damage.

B. Fidelity Bonds and Other Insurance. The Association shall obtain and maintain bonds covering all persons or entities which handle funds of the Association, including without limitation, any professional manager employed by the Association and any of such professional manager's employees, in amounts not less than the maximum funds that will at any time be in the possession of the Association or any professional manager employed by the Association but in no event less than the total of Assessments for a three (3) month period on all Lots and all reserve funds maintained by the Association. With the exception of fidelity bond obtained by a professional manager covering such professional managers employees, all fidelity bonds shall name the Association as an obligee. In addition, all such bonds shall provide that the same

shall not be terminated, cancelled or substantially modified without at least thirty (30) days prior written notice to the Association. The Association shall also obtain and maintain any insurance which may be required by law, including, without limitation, workmen's compensation insurance and director's and officer's liability insurance. The Association shall have the power and authority to obtain and maintain other and additional insurance coverage, including multi-peril insurance providing at a minimum fire and extended coverage on a replacement cost basis for the Common Areas improvements, if any, which additional insurance meet the insurance requirements established by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC"), as applicable, so long as either FNMA or FHLMC is a Mortgagee or Owner of a Lot, except to the extent that such coverage is not available or has been waived in writing by FNMA or FHLMC. A First Mortgagee may pay overdue premiums on hazard insurance policies or secure new coverage for the Common Area in case of lapse of a policy, and the Association shall immediately reimburse the First Mortgagee therefor.

C. Repair and Replacement of Damage or Destroyed Property. Any Common Area Improvements damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (ii) Owners owning at least eighty (80%) of the Lots vote not to rebuild or restore them. The cost of repair or replacement in excess of insurance proceeds or condemnation awards and reserves shall be paid by the Association and, as provided above, the Association may specially assess the Owners therefor. Any excess or remaining insurance or condemnation proceeds which are not needed to restore the Common Area as provided above shall be distributed to the Owners on the basis of an equal share for each Lot. No provisions of the Project Documents shall give a Lot Owner or any other person priority in the case of payment to the Lot Owner of insurance proceeds or condemnation awards for losses to Common Area over any rights of First Mortgagees (based upon one vote for each First Mortgage owned) or Owners (other than the Declarant) of the individual Lots have given their prior written approval, the Association shall not be entitled to (i) use hazard insurance proceeds for losses to any Common Area other than for the repair, replacement or reconstruction of such Common Area; or (ii) fail to maintain hazard insurance on any insurable amenities, if any, on the Common Area.

SECTION 3: ENFORCEMENT

The Association shall enforce the provisions of this Declaration by appropriate means, including without limitation the expenditure of funds of the Association, the employment of legal counsel and the commencement of legal actions.

SECTION 4: MANAGEMENT AND OTHER CONTRACTS

The Association shall have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, subject to the Bylaws and restrictions imposed by any governmental or quasi-governmental body or agency having jurisdiction over the Project. Any agreement for professional management of the Project or any agreement providing for services by Declarant (or any affiliate of Declarant) shall provide for termination by either party without cause or payment of termination fee upon ninety (90) days or less written notice or for cause upon thirty (30) days or less written notice and without payment of a termination fee. Such agreement shall further provide for a reasonable contract term of from one (1) to three (3) years and be renewable only by consent of the Association and the other party. In addition to the foregoing provisions regarding Association management contracts and contracts with Declarant and its affiliates, Declarant shall not, and shall not have the authority or power to, bind the Association prior to termination of Class B Membership, either directly or indirectly, to contracts or leases unless the Association is provided with a right of termination of any such contract or lease, without cause, which is exercisable without penalty or the payment of a termination fee at any time after the first Board of Directors elected after Class B Membership expires takes office upon not more than ninety (90) days notice. The foregoing shall not apply to or limit the Declarant's right to enter into (or the terms of) contracts or leases with providers of cable TV or satellite communications services for the benefit of the Project provided that such entities are not affiliates of the Declarant.

SECTION 5: RULES

The Association may adopt reasonable rules not inconsistent with this Declaration, the Articles or the Bylaws in or relating to the use of the Common Area and all facilities thereon and the conduct of Owners and their tenants and guests with respect to the Project and other Owners.

SECTION 6: PENALTIES

The Association may adopt a schedule of reasonable monetary penalties for violation by Owners of the provisions of the Project Documents and impose the same according to procedures in the Bylaws.

ARTICLE IV

ASSESSMENTS AND CHARGES

SECTION 1: ASSESSMENT OBLIGATIONS

Each Owner of any Lot, by acceptance of a deed or recorded contract of sale therefor, whether or not it shall be so expressed in such document, is deemed to covenant and agree to pay to the Association (a) regular annual Assessments to be paid on a monthly basis, (b) special Assessments for capital improvements and unexpected expenses, (c) initial Assessment, and (d) other charges made or levied by the Association against the Lot and the Owner thereof including, without limitation, interest, late charges, collection costs, costs and reasonable attorneys' fees incurred by the Association in enforcing compliance with this Declaration or the Bylaws (whether or not a lawsuit or other legal action is instituted or commenced) which charges are collectively referred to herein as the "Charges". Such Assessments Charges shall be established and collected as provided herein and in the Bylaws. Any part of any Assessment or Charge not paid within thirty (30) days of the due date therefor as established in this Article IV shall bear interest at the rate of twelve percent (12%) per annum from the due date until paid and shall be subject to a reasonable late charge of twenty five percent (25%) of the delinquent amount or \$25.00, whichever is greater. The annual and special Assessments and any Charges made against a Lot and the Owner thereof pursuant to this Declaration or the Bylaws shall be charged and a continuing lien upon the Lot (hereinafter "Assessment Lien"). Each such Assessment and Charge shall also be the personal obligation of the person who was the Owner of such Lot at the time the Assessment or other Charge fell due as provided in this Article IV or elsewhere in this Declaration, but this personal liability shall not pass to successor Owners unless specifically assumed by them. The Assessment Lien on each Lot shall be prior and superior to all other liens except (a) all taxes, bonds, Assessments and other levies which, by law, would be superior thereto and (b) the lien or charge of any First Mortgage on that Lot. No Owner of a Lot may exempt himself from liability for Assessments and Charges by waiver of the use or enjoyment of any of the Common Area or by the abandonment of his Lot.

SECTION 2: PURPOSE OF ASSESSMENTS

The Assessments by the Association shall be used exclusively to promote the recreation, health, safety and welfare of all the residents in the Project, for the improvement and maintenance of the Common Area as provided herein and for the common good of the Project. Annual Assessments shall include an adequate reserve fund for taxes, insurance, maintenance, repairs and replacement of the Common Area, and other improvements which the Association is responsible for maintaining.

SECTION 3: ANNUAL ASSESSMENTS

The maximum annual Assessment amount in the year that Declarant first closes escrow for the sale of any Lot in the Project to an Owner other than Declarant shall be \$324 per year, to be paid as \$27 per month. The annual Assessment shall be prorated based on the number of months remaining before December 31 of such year as well as any partial months remaining. Without the vote or approval of the Members of the Association, the maximum annual Assessment amount set forth above shall be automatically increased each calendar year after the first year during which a Lot in the Project is assessed by the greater of five percent (5%) of the previous year's maximum annual Assessment or a percentage equal to the percentage increase, if any, in the Consumer Price Index - United States City Average for Urban Wage Earners and Clerical Workers - All Items (published by the Department of Labor, Washington, D.C.) for the year ending with the preceding July (or similar index chosen by the Board if the above-described Index is no longer published). The Board shall annually apply the foregoing formula and determine and fix the amount of the annual (calendar year) Assessment against each Lot, including those owned by Declarant and Developers. The maximum annual Assessment amount may be increased by an amount in excess of the amount produced by the foregoing formula or decreased by more than twenty percent (20%) of the annual Assessment against Lots for the prior calendar year only if such increase or decrease is approved by the affirmative vote for Declarant (while Class B Membership exists) and of two-thirds (2/3) of the voting power of Class A Members voting in person or by proxy at a meeting duly called for this purpose.

Notwithstanding anything to the contrary stated in this article, until Class B Membership is terminated pursuant to Section 4B of Article II above, Declarant shall be obligated to pay only twenty-five percent (25%) of the annual Assessment amount fixed on Lots pursuant to this section, and shall vary said percentage of the annual Assessment amount in the same manner established for payment of the annual Assessment amount by other Lot Owners, except that Declarant shall pay and be liable for the full Assessment amount for any Lot owned by Declarant, after said Lot and the house on the Lot are first rented or leased to or occupied by another person and Declarant to pay said reduced amount on a monthly basis. In the event said reduced Assessment amount for Lots owned by Declarant is insufficient to cover the reasonable share of those Lots contribution toward insurance costs and depreciation reserves for the Project, as determined by generally accepted cost accounting methods, Declarant shall also pay such amount monthly or quarterly, as applicable, in addition to said reduced Assessment amount for the Lots, as is necessary to cover those Lots contribution toward the insurance cost and depreciation reserves.

Until Class B Membership is terminated pursuant to Section 4B of Article II above, Declarant shall be responsible for prompt payment on a current basis of all costs and expenses related to maintenance and repair of the Common Area and other areas required to be maintained by the Association hereunder, if any, in the event and to the extent that the funds available to the Association are inadequate for payment of such costs and expenses on a current

basis. Declarant's failure to perform the requirements contained in this section shall constitute a default under this Declaration entitling any Lot Owner or First Mortgagee to record a notice of lien against Declarant's property interest in the Project to enforce the provisions of this section.

SECTION 4: SPECIAL ASSESSMENTS

In addition to the regular annual Assessments authorized above, the Board 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 (i) any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or any other improvements the Association is responsible for maintaining (including fixtures and personal property related thereto); (ii) any unanticipated or underestimated expense normally covered by a regular Assessment; and (iii) where necessary, for taxes assessed against the Common Areas, provided however, that in all events, no such special Assessment shall be made without the affirmative vote of Declarant (while Class B Membership exists) and of two-thirds (2/3) of the voting power of Class A Members voting in person or by proxy at a meeting duly called for this purpose.

SECTION 5: OWNER'S INITIAL ASSESSMENT

In addition to any other assessment or charge authorized by this Article IV, the Association may levy an Owner's Initial Assessment against any owner, other than Declarant, payable upon close of escrow or other transfer of title to any lot or other portion of the assessable property to any owner. The amount of such Owner's Initial Assessment shall not exceed the sum of two (2) months of the Annual Assessment applicable to the Lot or other portion of Assessable Property being acquired by Owner, calculated pursuant to Section 1 above. Such payment shall be non-refundable and shall not be considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration.

SECTION 6: PROCEDURES FOR VOTING ON ASSESSMENTS

Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this article shall be sent to all Owners 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 Member or proxies therefor entitled to cast sixty percent (60%) of all of the votes of the 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 quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding

meeting. While Class B Membership exists, the quorum requirements described above shall apply to both classes and quorum shall not exist for a meeting unless a quorum of each class is present.

SECTION 7: ALLOCATION OF ASSESSMENTS

The Owners of each Lot shall bear an equal share of each regular and special Assessment except as otherwise specified in Section 3 of this Article and elsewhere in this Declaration.

SECTION 8: COMMENCEMENT OF ASSESSMENTS

The regular annual Assessments provided for herein shall commence as to each Lot in the Project on the first day of the month following the close of escrow of the sale of the first Lot in the Project by Declarant to a Developer or another person. Due dates of Assessments shall be established by the Board and notice shall be given to each Lot Owner at least forty-five (45) days prior to any due date; provided, however, that Owners shall continue to pay Assessments at the last established rate until the Board gives notification of any change in accordance with this Section 8. At the option of the Board, all annual Assessments shall be payable in twelve (12) equal monthly installments or four (4) equal quarterly installments and if Assessments are to be due on a monthly basis, no notice of such Assessments shall be required other than an annual notice setting forth the amount of the monthly Assessment and the day of each month on which each Assessment is due.

SECTION 9: EFFECT OF TRANSFER OF LOT BY SALE OR FORECLOSURE

The sale or transfer of any Lot shall not affect the Assessment Lien or liability or Assessments or Charges due and payable except as provided below. No sale or transfer of a Lot shall relieve such Lot Owner from liability for any Assessments or Charges thereafter becoming due or release his Lot from the Lien therefor. When, however, the First Mortgagee or another person obtains title to a Lot as a result of the foreclosure, trustee's sale or deed in lieu thereof of any First Mortgage, such First Mortgagee or other person shall not be liable for the Assessments and Charges chargeable to such Lot which became due prior to the acquisition of title to such Lot by the First Mortgagee or other person, and the Assessment Lien therefor shall be extinguished. Such unpaid Assessments and Charges shall be deemed to be common expenses collectible from the Owners of all of the Lots through regular or special Assessments or a separate Charge against a Lot as provided herein. In a voluntary conveyance of a Lot, the grantee of the same shall not be personally liable for Assessments or other Charges due to the Association in connection with that Lot which accrued prior to the conveyance unless liability therefor is specifically assumed by the grantee. Any grantee, mortgagee or other lienholder

shall be entitled to a statement from the Association setting forth the amount of the unpaid Assessments and Charges due the Association for a reasonable preparation charge. The grantee or other person entitled to receive the statement shall not be liable for, nor shall the Lot conveyed be subject to, a Lien for any unpaid Assessments or Charges in excess of the amount set forth in the statement, provided however, the grantee shall be liable for any such Assessment or Charge becoming due after the date of any such statement.

SECTION 10: REMEDIES FOR NONPAYMENT

When any Assessment or Charge due from an Owner to the Association on behalf of any Lot is not paid within thirty (30) days after the due date, the Assessment Lien therefor may be enforced by foreclosure of the Lien and/or sale of the Lot by the Association, its attorney or other person authorized by this Declaration or by law to make the sale. The Assessment Lien may be foreclosed and the Lot sold in the same manner as a realty mortgage and property mortgaged thereunder, or the Lien may be enforced or foreclosed in any other manner permitted by law for the enforcement or foreclosure of liens against real property or the sale of property subject to such a lien. Any such enforcement, foreclosure or sale action may be taken without regard to the value of such Lot, the solvency of the Owner thereof or the relative size of the Owner's default. Upon the sale of a Lot pursuant to this section the purchaser thereof shall be entitled to a deed to the Lot and to immediate possession thereof, and said purchaser may apply to a court of competent jurisdiction for a writ of restitution or their relief for the purpose of acquiring such possession, subject to applicable laws. The proceeds of any such sale shall be applied as provided by applicable law but, in the absence of any such law, shall be applied first to discharge costs thereof, including but not limited to court costs, other litigation costs, costs and attorneys' fees incurred by the Associations, and the balance thereof shall be paid to the Owner. It shall be a condition of any such sale, and any judgments or orders shall so provide, that the purchasers shall take the interest in the Lot sold subject to this Declaration. The Association, acting on behalf of the Lot Owners, shall have the power to bid for the Lot at any sale and to acquire and hold, lease, mortgage or convey the same. In the event the Owner against whom the original Assessment or Charge was made is the purchaser or redemptioner, the Assessment Lien securing that portion of the Assessment or Charge remaining unpaid following the sale shall continue in effect and said Lien may be enforced by the Association or by the Board for the Association as provided herein. Further, notwithstanding any foreclosure of the Assessment Lien or sale of the Lot, any Assessments and Charges due after application of any sale proceeds as provided above shall continue to exist as personal obligations of the defaulting Owner of the Lot to the Association, and the Board may use reasonable effort to collect the same from said Owner even after he is no longer a Member of the Association.