

Proposed Association By-Law Changes

Applicable Sales. In connection with the purchase of any real property within the Community, the purchaser shall be responsible for the payment of a contribution to the Association's capital, determined and calculated as 1% of the purchase price of such real property. This capital contribution shall be due and payable upon the date of closing. In the event the purchaser fails to remit payment to the Association on or before the 30th day following the date of closing, the payment shall be deemed past due and shall be collectable in the same manner as any other payment or assessment due and owing to the Association. Notwithstanding the foregoing, a capital contribution shall not be imposed or collected from any purchaser (i) who, at the time of the closing, is then a Member of the Association, or (ii) acquires the real property as a result of inheritance or pursuant to a legitimate estate planning transfer.

Restriction Upon Use of Capital Contributions. The Association shall not utilize the capital contributions for general operating expenses. The capital contributions, or portions thereof, may, with the approval of two-thirds of the Members, be used only for capital or infrastructure projects and improvements. By way of example, capital contributions may be used for the replacement of roads and related improvements; replacements and capital improvements to common facilities such as any common buildings; dredging; and dam repairs, improvements, and replacements.

Oversight of Capital Contributions. To assure compliance with the restrictions and intent set forth in this Amendment, capital contributions shall be maintained in a separate reserve account or accounts (the "**Account**") and such Account shall be clearly named and identified as restricted capital contributions. The Association shall, establish a committee to be comprised of three Members of the Association. Such committee shall be responsible for reviewing the Account and Account information and reporting to the Association at least annually regarding the status of the Account and any additions or deletions to the balance(s). To minimize the risk of loss of principal, the Account shall be invested in federally insured account(s) or instruments, including United States Treasuries (notes or bonds). Therefore, capital contributions shall not be invested in equities (stock).

Statement of Account. Upon written request to the Association, a Member or contract purchaser of real property within the Community shall be entitled to a written statement of account (the "**Statement**") setting forth, for instance, the amount of any current applicable assessments and any other charges imposed upon the Member, including any outstanding late charges and costs of collection. The Purchaser shall be deemed to have assumed the obligations of the Seller and shall also be responsible for full payment of the charges that were outstanding as of the date the Purchaser acquired the real property. If Purchaser fails to resolve any outstanding assessments, late charges and costs of collection as of the date Purchaser acquires the real property, Purchaser shall be responsible for full payment.