

VALENCIA DEL SOL TWIN VILLA HOMEOWNERS

EXHIBIT C – RELEVANT GOVERNING DOCUMENT EXCERPTS

**ARTICLE VII**  
**METHOD OF DETERMINING ASSESSMENTS**  
**AND ALLOCATION OF ASSESSMENTS**

**Section 1. DETERMINING AMOUNT OF ASSESSMENTS.** The total anticipated Operating Expenses for each calendar year shall be set forth in an estimated annual operating budget ("Budget") prepared by the Board as required under the Governing Documents.

A. For each Budget to be adopted prior to the Turnover Date, upon completion of a proposed Budget by the Board (but prior to its adoption), the Board shall deliver same to Declarant following which Declarant shall provide the Board: (i) the estimated number of Completed Lots that Declarant anticipates will come into existence by the end of the calendar year covered by the proposed Budget, (ii) the amount of Voluntary Contributions, if any, that Declarants is willing to make pursuant to Section 5(d) and Section 7 below during the calendar year covered by the proposed Budget, but which Declarant shall have absolutely no obligation whatsoever to make, (iii) the Operating Expenses which may not be expected to be incurred by the Association in the applicable calendar year based on incomplete or partially completed components of the Property and/or services which are not expected to be provided, and (iv) any additional Operating Expenses which may be expected to be incurred by the Association in the applicable calendar year as a result of anticipated completion of components of the Property and/or services to be provided which are not already set forth in the Board's proposed Budget.

B. Using the information provided by Declarant, the Board shall then adopt the Budget in accordance with the Neighborhood Governing Documents which shall include "Individual Lot Assessments" as described and calculated below, and any reserves determined by the Board, but excluding any expected or possible Special Assessments.

C. The Budget shall also include a separate section setting forth the anticipated Twin Villa Operating Expenses for the given calendar year.

Each Completed Lot and Incomplete Lot shall be assessed its pro rata portion of the total anticipated Operating Expenses (excluding the anticipated Twin Villa Operating Expenses), which shall be the "Individual Lot Assessment" as to each Lot. In addition, each Twin Villa Completed Lot and Twin Villa Incomplete Lot shall be assessed its pro rata portion of the total anticipated Twin Villa Operating Expenses, which shall be the "Twin Villa Assessment" as to each Twin Villa Lot. Operating Expenses (excluding Twin Villa Operating Expenses) for the Association Property shall be divided by the number of Completed Homes (inclusive of the Twin Villas). Twin Villa Operating Expenses applicable to and for the sole benefit of Twin Villas shall be divided by the number of Twin Villas Completed Lots.

The Individual Lot Assessment (and Twin Villa Assessment, where applicable) shall be based upon the level of service to each Lot and the state of the Lot's development and completion, with the Owners of Completed Lots paying the Operating Expenses (and Twin Villa Operating Expenses, where applicable) on a twenty to one ratio (20:1) compared to the Owners of Incomplete Lots, calculated as set forth below. In that regard, the Individual Lot Assessment

original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

**Section 7. COMMUNITY SYSTEMS SERVICES.** The Association (and/or Declarant on behalf of the Association) shall have the right to enter into one or more agreement(s) ("Bundled Service Agreements") for receipt of television (via cable, satellite or otherwise), entertainment, telecommunication, internet, monitored alarm and/or other services (collectively, "Bundled Services") for Homes in Valencia del Sol. Any and all costs and expenses incurred by the Association under or pursuant to any Bundled Service Agreements entered into by the Association for Bundled Services will be assessed against all Completed Lot Owners. It is contemplated that there may be features and services that are or will be available in addition to and not part of the Bundled Services (each, an "Optional Service"). Owners will be responsible for hook-up costs, any converter boxes, remote control units and any other Optional Services selected by the Owner, and the charge therefore shall be billed directly to such Owner. Notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Bundled Services Agreements shall be apportioned equally, but only amongst those Homes with respect to which the Association is being charged under or pursuant to the Bundled Services Agreement except to the extent, if any, that any Owner elects to receive an Optional Service (being a service not automatically received by all Owners entitled to receive Bundled Services pursuant to the Bundled Services Agreements). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs of such Optional Service. The foregoing shall in no way obligate Declarant or the Association to enter into any Bundled Services Agreement.

**Section 7. TWIN VILLA OPERATING EXPENSES.** Twin Villa Operating Expenses shall mean and include the actual and estimated expenses incurred by the Association for the benefit of the Twin Villas and Twin Villa Lots, which may include, but shall not be limited to the cost of maintaining, financing, insuring or repairing the Common Structural Elements and the portions of the Twin Villas and Twin Villa Lots for which the Association has maintenance responsibilities pursuant to this Declaration, and any and all expenses deemed to be Twin Villa Operating Expenses by the Association and/or under this Declaration. Except only for reserves expressly set forth in the Association's annual budget for the Twin Villas, reserves are specifically excluded from Twin Villa Operating Expenses. The Board may, if it so determines, include reserves in the Association's annual budget for the Twin Villas and if included, will be payable only by Owners of Twin Villa Completed Lots. In addition, any expense which is required by the Declaration to be the matter of a Twin Villa Special Assessment shall not be deemed to be a Twin Villa Operating Expense. Expenses which are required to be the matter of a Twin Villa Special Assessment include, by way of example but not by way of limitation, the following: the cost of reconstructing, replacing or improving the Common Structural Elements or any portion thereof; any casualty loss affecting the Common Structural Elements to the extent such loss exceeds the insurance proceeds, if any, receivable by the Association as a result of such loss; any amounts necessary to pay shortages in Twin Villa Operating Expenses; and unbudgeted expenses and or expenses in excess of those budgeted for with respect to the Twin Villas Operating Expenses.

**Section 50.** "TWIN VILLA OPERATING EXPENSES" shall mean those Operating Expenses incurred by the Association attributable to and for the sole benefit of the Twin Villas and Twin Villa Lots, all as may be specifically authorized from time to time by the Board, and such other expenses as are deemed Twin Villa Operating Expenses as set forth in this Declaration. Twin Villa Operating Expenses are the obligation of and shall be payable only by the Owners of the Twin Villas and Twin Villa Lots.

**Section 51.** "TWIN VILLA LOT" shall mean a Lot upon which a Twin Villa has or is permitted to be constructed, together with the Improvements thereon, and any other portion of the Property within Valencia del Sol that is declared to be a Twin Villa Lot by a Supplemental Declaration, provided, however, that no portion of any Community System shall be deemed to be part of a Twin Villa Lot unless and until same is made such pursuant to the terms of this Declaration, if at all. Upon completion of construction of a Twin Villa on a Twin Villa Lot, such Twin Villa Lot and the Improvements thereon shall collectively be considered to be a Twin Villa for purposes of this Declaration and the Governing Documents. Declarant reserves the right to modify the number and designation of Twin Villa Lots within or upon the Property in its sole and absolute discretion.

**Section 52.** "TWIN VILLA SPECIAL ASSESSMENT" shall mean assessments levied against one or more Twin Villas in accordance with this Declaration representing their proportionate share of the costs incurred by the Association for any extraordinary expenses of the Association, including, but not limited to, amounts necessary to pay shortages in Twin Villa Operating Expenses, unbudgeted expenses and/or expenses in excess of those budgeted for with respect to the Twin Villa Operating Expenses. Twin Villa Owners shall be subject to both Special Assessments and Twin Villa Special Assessments. However, only Twin Villa Owners shall be obligated to pay Twin Villa Special Assessments. In addition, Twin Villa Special Assessments may be levied against particular Twin Villa Lots and/or Owners of Twin Villa Lots to the exclusion of others. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Twin Villa Special Assessments shall be in addition to, and are not part of, any Twin Villa Assessments, Individual Lot Assessments and/or Special Assessments. Any Twin Villa Special Assessments assessed against Twin Villa Lots and the Owners thereof shall be paid by such Owners in addition to any other Assessments and shall be assessed in the same manner as the Twin Villa Assessment and Individual Lot Assessments. Twin Villa Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Twin Villa Special Assessment after the Turnover Date shall require the affirmative assent of at least two thirds (2/3) of those Members owning Twin Villa Lots and represented in person or by proxy at a meeting called and held in accordance with the Bylaws for all Twin Villa Special Assessments, except only any Twin Villa Special Assessment for repair, reconstruction or replacement of damaged or destroyed (and the preservation of or prevention of damage or destruction to) Improvements previously existing on the Twin Villa Lots which are the obligation of the Association to repair, reconstruct and/or replace, (b) capital improvements necessary or desirable for the sole purpose of preservation of, or prevention of damage to Improvements on the Association Property; which shall not require such affirmative assent of at least two-thirds (2/3) of all Members. Prior to the Turnover Date, a Declarant-controlled Board may make a Twin Villas Special Assessment without such vote of the

Additionally, in the event Declarant changes the zoning of the Property or any portion thereof to a use other than single-family residential and amends this Declaration or creates a sub-declaration, in order to insure representation on the Board for various groups having dissimilar interests, Declarant reserves the right to establish voting groups for election of Directors to the Board. In such event, each voting group shall be entitled to elect one (1) or more Director(s) to the Board. Each voting group may have different voting rights as determined by Declarant.

In the event Declarant establishes other uses of or for the Property as aforesaid, Declarant reserves the right to change the method pursuant to which Assessments are shared among the Lots and other portions of the Property. The expenses may be divided among each type of property use (e.g., single-family residential, multi-family residential and commercial) based upon, but not necessarily proportional to, the percentage of each type of property use, the level of services received by each type of property use and other relevant factors as determined by Declarant. Additionally, expenses which specifically relate to a specific property use will only be assessed against that type of property. The percentages for each type of property will be based upon the total acreage of the Property.

The portion of the anticipated Operating Expenses which are assessed against the single-family residential property shall be based on percentages set forth by Declarant and shall be divided equally among the contributing Lots or units by dividing such portion of the Operating Expenses which are being assessed to the single-family residential property by the total number of contributing Lots or units, and subject further to Article VII, Section 1 above in determining assessments based on Completed Lots and Incomplete Lots. The portion of the anticipated Operating Expenses which are assessed against the multi-family residential property shall be based on percentages set forth by Declarant and shall be divided equally among the contributing multi-family units by dividing such portion of the Operating Expenses which are being assessed to the multi-family residential property by the total number of contributing units, and subject further to Article VII, Section 1 above in determining assessments based on Completed Lots and Incomplete Lots. The portion of the anticipated Operating Expenses which are assessed against the commercial property shall be based on percentages set forth by Declarant and shall be divided among the owners of the commercial property based upon a fractional formula, the numerator of which is the total square feet of buildings and paved areas of each commercial parcel and the denominator of which is the total square feet of all buildings and paved areas.

**Section 22. NATURAL CONDITIONS, WILDLIFE.** Valencia del Sol may contain or be located in proximity to a number of manmade, natural, and environmentally sensitive areas that may serve as habitats for a variety of native plants and wildlife, including, without limitation, insects, venomous and non-venomous snakes and other reptiles, alligators, bears and other animals, some of which may pose hazards to persons or pets coming in contact with them. Each Owner and occupant of any Lot, and every Person entering the Community: (i) acknowledges that such plants and wildlife are indigenous to the area and are not restrained or restricted in their movements within or through Valencia del Sol; and (ii) knowingly and voluntarily assumes all risk of personal injury and/or death arising from the presence of such plants and wildlife within

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NOW, THEREFORE, Declarant, joined in by the Association, hereby amends the Declaration as follows (deleted language is shown by ~~strikeout~~, additional language is shown as underlined text and unaffected language is shown by " \* \* \* "):

1. Recitals; Defined Terms. The above recitals are true and correct and are hereby incorporated herein by this reference as if repeated at length. All initial capitalized terms used in this Amendment shall have the meanings given to such terms as set forth in the Declaration unless an alternative meaning is set forth herein.
2. Special Service Assessments. The Board shall have the right to assess fees, costs and expenses for any special services provided to or for the benefit of Lots and/or Owners or any portions thereof, or to reimburse the Association for such fees, costs and expenses (collectively, a "Special Service Assessment"). Special Service Assessments are a type of Assessment but are in addition to other Assessments levied in accordance with the Governing Documents. Accordingly, all references in the Governing Documents to "Assessments" shall include Special Service Assessments if and to the extent levied by the Board, which Special Service Assessments are in addition to Individual Lot Assessments, Special Assessments, Twin Villa Assessments and Twin Villa Special Assessments. Special Service Assessments may (but are not required to) be levied against particular Lots and/or Owners to the exclusion of others. Each Owner of a Lot acknowledges and agrees that each Lot and the Owners thereof are jointly and severally liable for the Special Service Assessments, in addition to any other Assessments (including, without limitation, Individual Lot Assessments and Special Assessments), which such Lots and Owners are responsible to pay as provided in the Governing Documents.

The Special Service Assessment shall be based upon: (a) bids received and approved by the Board for any special services to be provided to one or more of the Lots in Valencia del Sol, and/or (b) contracts entered into by the Association for the providing of specific services to a particular Lot or Lots, which Special Service Assessments may be in different amounts for different Lots based on, among other things, such bids and/or contracts. The Board shall have the right to accept or reject any such bids and/or contracts as determined solely by the Board. By way of example, and for illustration purposes only, the Home Landscaping Services (as defined in Article IX, Section 1.F of the Declaration) shall be a Special Service Assessment for all Completed Lots other than Twin Villas (the "Single Family Homes"). As a further example, the fees for alarm monitoring services which are provided to Single Family Homes shall also be a Special Service Assessment for such Completed Lots; however, the fees for alarm monitoring services which are provided to Association Property shall be an Operating Expense and the fees for alarm monitoring services which are provided to Twin Villas shall be Twin Villa Operating Expenses. The Declarant reserves the right to change any such Home designations and to create new Home designations for Special Service Assessments as the Declarant shall determine in the Declarant's sole and absolute discretion. The Board shall have the sole and absolute discretion to determine whether fees, costs and/or expenses are Special Service Assessments, as will be reflected in each annual Budget of the Association. Notwithstanding anything to the contrary, except as may be limited by applicable Law, Declarant will not be obligated to pay Special Service Assessments: (i) for Incomplete Lots owned by Declarant and/or (ii) for any special services not provided to the Lots owned by Declarant.