

Fork Landing Farms Homeowners Association, Inc.
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Resolutions, Rules, Regulations, and Policies

These “Community Regulations” adopted by the Lot Owners of Fork Landing Farms HOA, Inc. are to ensure consistent standards of land use, landscape design, and property maintenance. These Regulations may be revised, added to, or deleted by a majority vote of Lot Owners in attendance at any meeting to discuss such matters so long as a minimum of a quorum of the Lot Owners is at such a meeting called in accordance with the Bylaws, and such revisions are not in conflict with the Declaration, Bylaws, or Federal and State laws. The purpose of these regulations is ultimately to protect property values, the safety of its residents, and enhance the enjoyment of the community. Many alterations (as defined in this document) to improvements on Lots requires the Lot Owner to apply and receive approval from the Executive Board prior to making these changes or improvements. Any structures and/or alterations existing as of the date of the adoption of these Community Regulations are “grandfathered in” even if not compliant. In all cases the Public Laws and Ordinances of City of Milford, Sussex County, state of Delaware and the Federal Government are the minimum standard of compliance or requirement in circumstances.

1. **Animals:**

- a. Pigs, chickens, poultry, rabbits, pigeons, cattle, goats, sheep, horses, animals traditionally considered to be wild or farm animals, or other non-household pets shall not be permitted. No business involving the breeding of household pets may conducted on said property.
- b. All pets shall be appropriately licensed and leashed. Off leash dogs must be confined within an enclosed yard. No outbuildings, such as dog houses or similar structures are permitted. Pet owners assume the responsibility for any action of their pet(s). All pet droppings in any neighboring yard and within the common areas of the HOA must be immediately collected and properly disposed of by the pet owner. Pet droppings in a Lot Owner’s fenced in yard must be regularly cleaned up and not allowed to become source of odor or poor sanitation.

2. **Antennas:** A standard, residential satellite dish or a multichannel Multipoint Distribution Service antenna that is 3 feet 3 inches or less in diameter is acceptable. Installation of the dish or antenna must be in an inconspicuous location, not visible from the front of the lot. A Lot Owner may request a variance from the Board if an alternative placement is required to obtain acceptable reception.

3. **Awnings:** An application is required for all new awnings. The style, color and materials must be compatible with the character of the house. Cloth or wood is the preferred material.
4. **Clotheslines:** All laundry drying areas shall be located or screened to be concealed from view.
5. **Businesses:** Businesses may be operated from home office provided clients or customers do not need to physically access the premises. No business signs may be posted advertising a business operated in the home.
6. **Common Areas:** Any forested buffer area bordering Deep Branch or the cemetery adjacent to individual properties may be cleared by the owner of the adjacent land. No trees or shrubs with trunk diameter of 6” or more may be removed from the forested buffer areas. Storm water management areas and HOA common areas as shown on the Plan shall not be disturbed. All other common areas shall be maintained by the Association. No accessory building or structure may be erected within any common area without the permission of the Homeowner’s Association.
7. **Decks, Patios, and Walkways:** An application must be submitted to the Board for all decks. Decks shall be constructed of pressure-treated wood, composite materials or other suitable materials and appropriately maintained. Construction must comply with City code. Patios and walkways that cannot be seen from the street do not require an application. The City of Milford does not require walkways or patios to have a permit.
8. **Drainage Easements:** Under no circumstances are fixtures, plantings or other obstructions of any kind permitted in any drainage easements. Please consult with the Board to determine the location designated as drainage easements.
9. **Driveways:** Maintenance, repair, or replacement of driveways is the responsibility of the Homeowner(s). Seal coating of the same color does not need Board approval. No approval is required for resurfacing an existing driveway IF the materials, size, shape, and grade are the same as the existing driveway. An application is required if the original driveway is altered. Changes in grade, size and shape must be shown on the site plan.
10. **Fences:** A Board application is required for ALL new fences and changes in configuration of existing fences. All fences shall be made of white vinyl to conform to the community. Fences may not be made of brick, wood (stained or natural), iron, metal, chain link, or chicken wire. Fence styles may include privacy (solid), picket (flat or scalloped), and two or three rail. The interior of 2 or 3 rail fences may include a dark colored and rust proof wire mesh attached to the interior of the fence. Privacy fences are only allowed to enclose the rear and side yards and may not come any closer to the street

than the front of the house. Privacy fences may be no more than six (6) feet in height. Fences enclosing the front yard may be no taller than 42 inches with a minimum of 50% open (see through) space. Fences in the rear and side yards do not require a setback (i.e., they can be placed on the property line), but the owner is ultimately responsible for maintenance and cleaning of both sides unless an agreement is made with each adjoining lots' owners. A fence may not be placed on an easement.

11. **Flags:** Up to two flags may be displayed on poles attached to vertical walls of the home or a structure on the lot. An application is required for a permanent flagpole erected in the yard. If you elect to fly an American flag on an extended basis, ensure that all rules of flag etiquette are observed.
12. **Gazebos, Pergolas, Arches, Trellises:** An application is required for all gazebos, pergolas, and landscaping arches and trellises over 5 feet tall. These external structures shall be designed and constructed with materials that harmonize with the house. Size of the structure shall be appropriate to the size of the Lot and house. Gazebos and pergolas are not permitted in the front yard.
13. **Grills, Firepits, and Outdoor Fireplaces:** An application is required for all *permanent* grills, fire-pits, and outdoor fireplaces. The application shall detail location, materials, dimensions, and style. An application is required for any refillable propane cylinder exceeding 30-pound capacity. In addition, any permanent grill, fire-pit, or outdoor fireplace must be at least 10' from any existing structure. Portable grills do not need permit but must be at least 3' from any existing structure when in use.
14. **Ground Maintenance requirements:** The Owner's ground maintenance obligations include keeping their Lot and improvements in a neat, sanitary, and attractive condition and include but are not limited to:
 - a. Grass height shall be no greater than 6", except in circumstances in which rainfall does not allow for mowing.
 - b. Trimming grass/lawn at all sidewalks, driveways, structures and plantings.
 - c. Weeding gardens and plant beds.
 - d. Pruning trees and shrubs.
 - e. Removing debris.
15. **Hot Tubs, Spas, and Whirlpools:** An application is required for all outdoor hot tubs and whirlpools. They shall be located behind the house and screened, fenced, or landscaped to provide privacy.
16. **Lawn Statues and Decorations:** No more than two "permanent" structures such as statues may be affixed to or placed in the front and side yard of any lot or building, including lawn furniture. (Any structure expected to be left on the property for 6 months or more is considered "permanent"). In no event shall a structure or other like objects be larger than 5' high X 30" wide or round. Other smaller decorative objects are permitted

in flower beds. This regulation does not apply to seasonal or holiday decorations.

17. **Mailboxes:** Maintenance of mailboxes is the Lot Owner's responsibility. Replacements must conform to U. S. Post Office guidelines. See the local postal office for instructions and guidelines or refer to the USPS website.
18. **Motorcycles, Motor Scooters, Golf carts:** Motorcycles, motor bikes, motor scooters, golf carts or other similar vehicles shall not be operated within the development except on roadways. No unlicensed vehicles shall be operated within the development. There shall be no "joy riding" in Fork Landing Farms.
19. **Noise and Odor:** Residents shall not cause or permit any noise, music, or unusual or objectionable odor to emanate from their lot. All radios, television sets, stereos, etc must be turned down to a sound level that does not annoy other Lot Owners. Barking dogs must be controlled so as not to be an annoyance to any other resident. City of Milford ordinances must be followed.
20. **Play Equipment:** No application is required for play sets that are less than nine (9) feet high and fifteen (15) feet wide if they are in the rear of the house, and at least 5 feet from the rear and side of the property line. An application is required for all other permanently installed play equipment. No application is required for a portable basketball hoop. Basketball nets must be maintained in good condition. Attaching a backboard to the front of the garage requires an application. Basketball playing shall be permitted from 9:00 am until sundown within the confines of the Homeowner's driveway.
21. **Portable Storage Units:** One portable storage container is permitted on residential property for up to 30 days without an application. Containers that remain or are anticipated to remain beyond 30 days requires an application.
22. **Property Maintenance Requirements:** Each Lot owner is responsible to keep their Lot and all improvements thereon, in good order and repair, including but not limited to:
 - a. driveway condition, windows and screens, and the painting (or other appropriate external care) of all buildings and other improvements.
 - b. Maintenance shall include the removal of mildew from siding and the proper maintenance of all exposed wood surfaces.
 - c. Proper maintenance also includes the repair or replacement of any visible damage to the exterior of either the home itself or any other building or structure on the lot.
23. **Rental properties:** Each lot shall be used for a residence, as permitted by regulations for all Lot Owners. Any Lot Owner granting any form of leasehold interest in their house requires the registration of same with the City of Milford. All Lot Owners that lease their property must keep the Board advised of the Lot Owners current address and contact information. Lot Owners must also keep the Board advised of the tenants' names and their contact telephone numbers and/or email addresses. The HOA Bylaws, Declaration of Restrictions and the Community Regulations must be provided to the Leaseholder by the Lot Owner. The Lot owner is ultimately responsible for compliance with the

aforementioned documents and any updates. Leaseholder is not permitted to add, change, update, construct or make any changes that require Board approval prior to the Lot Owner getting the necessary approval of an application.

24. **Rain Barrels:** A rain barrel may not exceed 55 gallons and must have a screen to prevent mosquito larva. The color and material of the rain barrel shall be compatible with the architectural character of the house and may not be placed on the front side of the home.
25. **Sheds:** A City Permit and an application are required for all sheds. A site plan showing location must be submitted with the application. The shed shall be set back 5' from all Property lines and designed to harmonize with the house including roofing, siding, and trim. A shed can be no larger than 10 feet wide by 12 feet long and located in the rear of the lot. All sheds must be secured from wind damage. The City of Milford and Sussex County Building Codes will dictate the appropriate requirement at the time of permit approval.
26. **Sidewalks:** The maintenance of the sidewalk at the street and along the Lot owner's property line is the Lot Owner's responsibility, including both repair and replacement. Refer to the City of Milford ordinances. Sidewalks must not be blocked and remain open for passage.
27. **Signs:** No application is required for temporary signs advertising the sale of residential property. Up to two (2) political signs may be displayed during an election season. Garage sale signs are permitted but must be removed at the end of the day of the sale. Signs advertising services must be removed after two weeks. Security signs may be displayed on a permanent basis. Yard signs must not be larger 18 inches by 18 inches.
28. **Snow removal:** All Lot Owners are responsible for removing snow within a reasonable amount of time after a snowfall subsides. Responsibility includes all sidewalks that border the Owner's Lot. Driveways and sidewalks leading to exterior doors should be cleared for safety of the owner and others but is not required by the Community Regulations.
29. **Solar Panels:** An application is required for all solar panels, as well as a permit from the City of Milford. Solar panels on a sloping roof shall be parallel to the roof surface. All wiring and accessories must be inconspicuous. Solar panels cannot be located on the Homeowner's lawn.
30. **Swimming Pools:** No application is required for a portable children's wading pool less than 8 feet in diameter and 24 inches in depth. However, both a City Permit and an application are required for all other swimming pools. Only inground pools are allowed. The effect of placement and lighting on neighboring properties will be a primary consideration when deliberating an application for a pool. A 6-foot privacy fence is required to enclose the pool

31. **Trash Receptacles:** Trash receptacles must not be generally visible to public view except on designated collection days. All trash, refuse, garbage, waste, recycling, or yard of any kind is to be placed in an appropriate receptacle and kept in the garage or behind a “screened area”. All screened areas require an application and may not be in front of a home. An area on the side or back of a home may be considered a “screened area” if the area has approved fencing that is forty inches (40”) or greater in height. Screened areas that are visible from the street or face a neighboring yard shall have construction harmonious to the house.
32. **Vegetable Gardens:** Vegetable gardens or similar non-flower gardens or beds shall not be permitted in the front yard. They must be maintained in an attractive manner. If visible by other residents, fencing may be needed to screen plants from view.
33. **Vehicles:** Boats, trailers, campers and recreational vehicles are allowed to park in the driveway or on the street for no more than a 48-hour period or a weekend. Major repair or renovation of vehicles, including but not limited to automobiles, vans, SUVs, lawn mowers, trucks, tractors, boats, trailers, and campers is prohibited on the property, except in an enclosed garage. Inoperable and unregistered vehicles shall not be parked or stored in the open. Commercial vehicles, large lawn mowers, large trucks, and vans with commercial lettering may only be parked on the property or the street if they are servicing the Lot Owner.

Architectural and Landscaping Applications and Approvals

Section I: Application Requirements

Please note:

- You must contact the City of Milford and Sussex County Building Departments to determine if a Building Permit and Inspection(s) are required and what information, site plans, etc. may be required. In order to obtain approval from the City, the City may require that you submit documentation from the HOA granting approval.
 - Delaware law requires Homeowners to call Miss Utility before digging, excavating, or altering the surface of the ground in any way. Call 1 800-282-8555 or 1 800-441-8355 for information.
1. Application and approval are required:
 - a. to replace existing approved siding, roofing, windows, and doors of the house and outbuildings *unless* the same color, materials, and style are used.
 - b. for any new building or structure(s) or modification to any existing building or structure, including the addition of antennas or satellite dishes visible from the street, awnings, decks, modifications to driveways, fences, gazebos, pergolas, arches, trellises, permanent grills or firepits, outdoor hot tubs, spas, or whirlpools, play equipment, sheds, solar panels, or swimming pools.
 2. No application is required:
 - a. to plant flowers and shrubs, trees, garden edging, or to apply mulch (including stones) or plant ground cover plants.
 - b. to make modification involving safety, handicap accessibility or anything required by state, county, city or federal regulations and laws (although it may still require city permits and therefore require an application and approval).
 - c. To install storm doors.

Section II: Receiving Architectural or Landscaping Review and Approval

1. Application forms for Architectural or Landscaping changes are available by downloading the form from the community website at www.ForkLandingHOA.org. The application shall be submitted in writing by email or hand delivery to the “Community Regulations Officer (CRO)”.
2. Submission of a completed Application to the CRO must include an outline of the project and a design plan, as well as details on the type(s) of product(s) and materials to be used. This shall include colors and samples of materials to be used if available. All licensed contractors must also be identified.

3. A Site Plan or Location Survey is required if the alteration will change the location of, or add structures to the Lot, e.g., a deck, shed, garage, new or expanded driveway, or addition. A Site Plan or Survey is not required for alterations that only change the outward appearance of existing structures, such as siding, windows, or doors.
4. Elevation or Cross Section drawings that show the proposed alteration from all sides or depths (if appropriate).
5. As a courtesy, at least adjacent neighbor(s) should be informed and notified of the proposed plan prior to submission of the application. Their approval is not required.
6. The CRO will confirm receipt of your application within 48 hours. If you do not receive an acknowledgement of receipt within 48 hours, it is the homeowner's responsibility to contact the CRO.
7. In order to respond to applications quickly, the CRO will submit the application to all Board members, to approve by unanimous consent by email. If approved by unanimous consent, the applicant can proceed. If the application appears to conflict with HOA Regulations, unanimous consent will not be granted and the application will be reviewed at the next Board meeting, which must occur within the next 30 days. In all cases, the Board will work with the Homeowner to arrive at a mutually acceptable plan as quickly as possible.
8. Written approval from the Executive Board is required before starting Lot alterations. Any Homeowner failing to obtain pre-approval by the Board risks the cost of removing the alteration or improvement if it is found in violation of these guidelines.

Enforcement and Penalties for Violations of Community

Regulations. Note: The Executive Board will only initiate an inspection or research an issue once a complaint has been received from someone in the neighborhood. It is assumed, if no one has complained, then any infractions occurring have not risen to the level to annoy or create concern to surrounding neighbors. Complaints may not be submitted anonymously or by anyone concealing their identity. However, the Board, upon request, will maintain the confidentiality of the person submitting the complaint.

1. If a Lot Owner has made alterations that these Regulations would otherwise require an application and approval from the Board, and said alterations are made without prior approval of the Board through submission of a required application, said Lot Owner will be fined \$50.00. If the alteration would qualify for approval and application is approved late after the submission, the fine may still be imposed or may be waived if it is a first infraction. If the alteration does not qualify for approval upon the submission of an application, the fine will be imposed, and all costs incurred to affect the removal, restoration, or remediation to make the lot compliant shall be the responsibility of the Lot Owner.
2. If a complaint is filed by a Lot Owner against another Lot Owner for not complying with our Community Regulations, the violation will be investigated by the Community Regulations Officer (CRO). The Lot owner will be notified of the violation(s). The CRO will make recommendations to the Board at the next scheduled meeting. The Lot Owner may also appear at the Board Meeting. If the Board determines that the Lot Owner is in violation of the Community Regulations, the Board may impose a fine of up to \$50.00 for each violation, or a timeframe in which to correct the violation.
3. If the Lot Owner continues to violate the regulations or does not correct the violation within the stipulated timeframe, the Board may assess additional fines to the Lot Owner.
4. The Lot Owner may appeal any decision of the Board at the next scheduled Annual Meeting or call a Special Meeting of the Lot Owners to overturn the decision of the Board of these Community Regulations. However, additional fines may continue to accumulate if the Lot Owners do not vote to overturn the decision of the Board.
5. If the violation is not corrected or if any Owner permits their Lot, and any improvements on the Lot, to fall into disrepair or to become unsafe, unsightly, or permits any Lot, and improvements that otherwise violate the restrictions contained in these Community Regulations, Bylaws or the Declaration of Restrictions, the Association shall have the right to seek any legal remedies it may have. In addition, and without limitation, the Board shall have the right, but not the obligation, if such unacceptable maintenance is not corrected, to enter upon Owner's Lot and make such repairs and perform such maintenance and charge the costs thereof to the Owner. The foregoing restrictions shall not be interpreted as creating any right or obligation of Association to enter or perform any maintenance or inspection whatsoever of the Lot, or contrary to the provisions of any Law. Such costs shall be enforced, including penalty fees and costs, as an Enforcement Assessment.

Fork Landing Farms HOA ASSESSMENTS

To clarify your financial obligations as a member of the FLF HOA, the Board of Directors has summarized the information from our Declaration and Bylaws. Additionally, information is included about our Management Company, HPS, to whom the semi-annual assessments are paid.

Assessments: What? Why? How?

Homeowner associations exist to maintain the community, hence, keeping property values high. To carry out this type of work, HOAs naturally need to source their funds from somewhere. Enter you, the homeowner.

HOA assessments/dues/fees are recurring fees homeowners pay to the homeowners' association. The association uses these fees primarily to cover the cost of maintenance and repairs as well as improvements required to keep the community's common areas in good shape. *How is the HOA annual assessment calculated?* The Board drafts an annual budget for the upcoming fiscal year consisting of projected expenses. This budget, including the annual assessment, is approved by the homeowners. The anticipated expenses and the need for a reserve dictate how much is levied against the homeowners of each Lot.

Delinquent accounts can put us in the red, so please be considerate and don't let the burden of delinquencies fall on your neighbors. Feel free to contact your Board of Directors if you see a discrepancy in your bill or if you wish to discuss an assessment matter.

Assessments: Amount? Due date? To whom?

Our annual assessment is presently \$400 with \$200 being due 1/1 and 7/1 of each year. This assessment is paid to our management company, HPS, via the contracted vendor InfoHOA.org. In the past we have received both a bill through the US Postal Service and an email directly from HPS. (Email notifications are only sent to those Lot Owners who have registered with InfoHOA.org.) Payment can be made by mail to Fork Landing Farms at P.O. Box 1299, Commerce, GA 30529-1299 or online through Infohoa.com after registering.

Delinquent Accounts: Late fees and interest rate? Your obligations? What happens and when?

Remember that the two semi-annual assessments of \$200 are delinquent after 1/30 and 7/30, respectively. Per our Declarations each delinquent assessment is charged a late fee (10%) and an interest fee (18% per annum) on 2/1 and 8/1 respectively. Thereafter, a delinquent account continues to be charged interest (for each delinquent assessment) until paid in full. After HPS has sent you the final/third reminder letter, it is your obligation to contact the Board of Directors because the final step for a delinquent account is legal proceedings based on our Attorney's advice and the state document, DELAWARE COMMON INTEREST COMMUNITY: COLLECTING DELINQUENT ASSESSMENTS published by the Attorney General, State of Delaware.

In previous years, the Board has pursued delinquent accounts by calling, mailing, and sending letters to the owners whose accounts are in arrears. This has not yielded success with several of the homeowners. The Board is now proposing a more aggressive approach including means of

legal action such as recording personal or property liens. The following is the timeline that the Board will follow beginning in 2025.

Timeline for Actions taken if Fork Landing Farms Homeowners Association's Semi-Annual Assessments are Delinquent

On January 1 or July 1, \$200 is due.

HPS mails and emails* semi-annual bill on the 5th day of the preceding month.

If not paid by end of the month, account is delinquent.

If not paid by February 1 or August 1:

First reminder letter from HPS is sent U.S. Postal Service and emailed*.

If not paid by March 1 or September 1:

Second Reminder letter from HPS is sent U.S. Postal Service and emailed*.

*Email notifications are available to homeowners who register for an InfoHOA.org account.

If not paid by April 1 or October 1:

Final 90 days in arrears letter from HPS is mailed. Homeowner may dispute discrepancies by certified mail to HPS before matter is turned over to FLF Board of Directors for legal action.

If not paid by May 1 or November 1:

Treasurer alerts the Board that HPS has turned delinquent account over to Board, and Board sends a **registered letter with return receipt requested demanding payment in full or legal action will be taken, and the Board's action will be included in the Board minutes.**

If not paid by June 1 or December 1:

Board initiates legal action against the owner personally obligated to pay the assessment and a **personal lawsuit for debt or a lien against the property with interest, costs, and reasonable attorneys' fees added to the assessment. This information will be included in the Board minutes.**

Note: Monthly interest charges continue the first of every month until a delinquent account is paid in full.

HOA Accounting Practices

No one on the Executive Board has access to the bank accounts. HPS/InfoHOA.com, our management company, collects and distributes all funds by check or electronic bank transfers and maintains and reconciles the check register, and General Ledger. The Association does not maintain a petty cash account nor are any funds collected or distributed in cash payments. The HOA receives monthly photocopies of our bank statements (including transfers), a general ledger of all income and expense entries, copies of receipts or supporting documentation for all payments or transfers, and a reconciliation of the general ledger with the bank statements.

All bills, invoices, or requests for reimbursements are submitted to the Treasurer with receipts or other supporting documentation. The Treasurer will check to confirm the expense is authorized and within budget and then forward to InfoHOA.com for processing. If the expense is not within the approved budget, the Treasurer will first obtain approval and authorization from the Executive Board before submitting the expense for processing. Each officer on the Executive Board is able to view the monthly detailed reports directly from InfoHOA.com.

The Executive Board must stay within the total budget approved by the Association for any fiscal year. The Board shall have the authority to exceed a line item in the budget due to unanticipated costs but must be able to offset the line items over budget by reducing expenditures in other areas. Except under emergency conditions, such as storm damage or heavy snow season, if the Board determines it is necessary to exceed the total budget, authorization must be obtained by approval of the Association by majority vote at a special meeting by email. The Board may not shift funds around to fund items not already authorized by the existing budget as approved by the Association.

When the capital contributions or transfer fees are deposited by HPS into checking and the checking account exceeds \$8000 that these contributions/fees should be transferred to savings.

The financial accounts will be reviewed on an annual basis by an internal audit committee made up of Homeowners. Their report will be sent to all homeowners. Delaware corporate law requires a corporation to conduct an independent audit each year. Best management practices for HOAs recommend this be done. However, the cost of an independent audit in Delaware is prohibitive. The last bid the Board received indicated an independent audit for one year would cost more than \$6,000. That's equal to one fourth of our income and would require assessments to be raised by about \$100 per Lot to cover the expense. Since the Board members do not handle funds or have access to the bank accounts, the benefits of an audit don't seem to outweigh the costs. However, that is a decision the Homeowners must make. **The Board procedure will be to include \$6,000 in each year's proposed budget and it will be up to the Homeowners to either approve the expense or pass a motion deleting the audit from the budget and thereby not authorize the Board to contract for the audit. On a similar rationale, the Association does not purchase a fidelity bond covering the officers, despite the fact it is required in the Bylaws. The Board will therefore include the estimated cost of a fidelity bond in the proposed budget and Homeowners can approve the budget item or pass a motion deleting it from the budget.**

Budget Process

The Executive Board will be responsible for proposing an Annual Budget, but final approval will be required by the Homeowners. The initial draft budget will be reviewed by the Executive Board in September, and a proposed budget submitted to the Homeowners at the Annual Meeting in October. (The Executive Board's Budget Proposal will be distributed to the Homeowners prior to the Annual Meeting, giving Homeowners sufficient opportunity to evaluate the budget proposal prior to the meeting.) The budget will be shown in a "reasonably itemized form" and accompanied by a "Line-Item Budget Description" document that explains what is authorized by each budget line. The budget will specify the proposed annual assessment, and the budget will cover all expenditures, including "Operating Expenses" and for "Capital Repairs or Improvements". The total of all revenue and expenses will be shown and the impact of the budget on the Reserves at the end of the year will be identified. The Homeowners will have the ability to review, amend, delete, or add to any individual line item prior to adopting the budget by simple majority of the Homeowners present or by proxy.

The Budget, as approved by the Homeowners, will establish the annual assessments and capital contribution fee assessed on the transfer of property.