

**LAKE TOXAWAY COMMUNITY ASSOCIATION, INC.  
ASSESSMENT POLICY**

**NOW, THEREFORE,** be it resolved by the Board of Directors of the Association, as follows:

1. Members. Members of the Lake Toxaway Community Association (the "Association") (including both those owners obligated by their chain of title to be a member of the Association, as well as those owners who have voluntarily joined the Association by paying full assessments) (hereinafter, "Members") are required to pay an annual assessment based upon the budget approved by the membership at the annual meeting. The amount of the Members' assessments is calculated based on whether a lot is Improved (with a home) or Unimproved (lot only with no improvements). Currently, the assessment for Unimproved lots is determined by multiplying the Improved Lot Assessment for Members by 0.619 (hereinafter, "Unimproved Lot Assessment for Members"). Members in good standing with the Association may use all of the amenities owned by the Association (the "Amenities"). As used herein in this Policy, the term "good standing" shall mean, at a minimum, payment of all assessments, fees and/or charges levied by the Association.

2. Non-Members. Non-Members (owners within Lake Toxaway Estates ("LTE") whose chain of title does not obligate them to join the Association and who have not voluntarily done so) (hereinafter, "Non-Members") are billed according to a maintenance billing program established for this purpose by the Association. Costs related to "membership" activities and common area amenities not including the roads and Lake Toxaway are excluded from these fees. The amount of the Non-Members' assessments is also calculated based on whether a lot is Improved or Unimproved. The Non-Member assessment for Improved lots is determined by adding up the budgeted expenses for Lake Toxaway, Security expenses for the dam and Lake Toxaway, expenses for the Roads, and expenses for the grounds immediately adjacent to the roads, and then dividing that amount by the total number of adjusted improved lots within LTE (hereinafter, "Improved Lot Assessment for Non-Members"). The assessment for Unimproved lots is currently determined by multiplying the Improved Lot Assessment for Non-Members by 0.619. Notwithstanding the above, if the access to a Non-Member's lot or parcel is directly from a public road and he or she uses or uses or desires to use Lake Toxaway, then only a lake maintenance billing will be required based on budgeted expenses related only to Lake Toxaway and Security expenses for the dam and Lake Toxaway. Non-Members must be in good standing with the Association in order to use the roads and Lake Toxaway.

Read, approved and adopted by the Board of Directors of the Association this the 19th day of October, 2010.

  
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President

  
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Secretary