

## **ANAND NILAY FREQUENTLY ASKED QUESTIONS**

These Frequently Asked Questions (“**FAQs**”) are being delivered in conjunction with your entry into a Purchase and Sale Agreement (the “**Agreement**”) with Anand Vihar, LLC (“**Seller**”) for the purchase of a lot and single family residence within Anand Nilay (the “**Community**”), which is being developed by Seller. Capitalized or initially capitalized terms used in these FAQs which are not defined in these FAQs shall have the meanings as provided either in the Agreement or, if not defined in the Agreement, in the Declaration as such term is defined below. The below are summary in nature only. To the extent of any conflict between any information provided in these FAQs on the one hand and the Declaration or the Agreement on the other, the Declaration and the Agreement shall control. The below is provided for general information purposes only and shall not be deemed to controvert the terms of the Agreement, the Declaration, and Rules and Regulations of the Association or any Club Rules and Regulations.

### **What is the Community?**

The Community will be a residential subdivision located in Hillsborough County, Florida, with its main entrance on Kinnan Street, developed as an age-restricted community. Current plans contemplate the development of approximately 105 single family lots with residences, together with a private club to be known as the “Anand Nilay Club” (the “**Club**”) including a club building and certain related recreation facilities, including a swimming pool (collectively, the “**Club Facilities**”) which shall be owned, and are intended to be operated by, Seller. The Club Facilities will service the Community and residents within the Community and their guests. Additionally, a portion of the property located adjacent to the Club (the “**Multi-Family Parcel**”) may be, but is not required to be, developed for use as a multi-family site consisting of condominium units or rental units available for short-term or long-term occupancy of employees of the Club and/or guests of owners of single family homes, or others, at the discretion of the owner or manager of the Club.

### **What does it mean that the Community is Age-Restricted?**

The Community is being developed for operation under certain exemptions of the federal Fair Housing Act, 42 U.S.C. §3607, as housing for older persons. At least eighty percent (80%) of the individual residences being developed within the Community must be occupied by at least one (1) person who is fifty-five (55) years of age or older. Additionally, no person that is under the age of twenty-two (22) years of age may occupy any residence for more than ninety (90) days in total during any calendar year, although such persons may visit and temporarily reside in the Community for periods not exceeding ninety (90) days during any calendar year.

### **Will there be Deed Restrictions with respect to the Community?**

Yes. Seller intends to record a Declaration of Covenants, Conditions, Restrictions and Easements of Anand Nilay (the “**Declaration**”) for the Community which imposes certain covenants, conditions, and restrictions on the use of each Residence within the Community, establishes certain common areas, allows for the operation by the Seller of the Club Facilities, the potential development of the Multi-Family Parcel, and establishes certain easements benefitting or burdening all or portions of the Community. Title to each Residence within the Community is subject to the Declaration and all of its provisions. A copy of the current Declaration has been provided to you in connection with your entry into the Agreement. You should read and understand the terms and conditions of the Declaration which impact the use and impose certain requirements and restrictions on the Residence and the Community. The Declaration is not final,

and has not yet been recorded in the Hillsborough County Public Records. Seller has the unilateral right to make amendments or modifications to the Declaration prior to its recording in the Hillsborough County Public Records, which is anticipated to occur prior to the Closing of the Residence purchased by you pursuant to the Agreement. You will, however, be subject to the terms and conditions of the Declaration, even if the same is recorded subsequent to the Closing on your Residence.

### **Will there be a Homeowners Association for the Community?**

Yes. The Declaration establishes that Anand Nilay Master Association, Inc., a Florida not-for-profit corporation (the “**Association**”), organized or to be organized pursuant to Chapter 617, Florida Statutes, and subject to Chapter 720, Florida Statutes, as the homeowners association for the Community. The Association has the authority to govern certain aspects of the Community including without limitation all Common Areas established by the Declaration, as well as having the authority to establish from time to time certain rules and regulations otherwise governing the Community and the Common Areas of the Community. Upon conveyance of your Residence to you, you will become a member of the Association and subject to the rules and regulations of the Association.

### **What are the responsibilities of the Association?**

Pursuant to the Declaration, the Association is responsible, either directly or through the employment of a community or property management company, for maintenance, repair, and operation of private streets, parking areas, street lights, sidewalks, private utilities, drainage systems, fences, walls and other improvements that have been constructed or developed as Common Area within the Community including without landscaping within the Common Area. The Association is also responsible for conducting the business of the Association, establishing Assessments (as discussed further below), and maintaining insurance.

### **Who governs the Association?**

Each Owner of a Residence and the Seller is a Member of the Association. The Association is governed by an elected Board of Directors, however, the members of the Board of Directors and officers of the Association shall be appointed or elected by Seller until such time as control of the Association is turned over to Owners within the Community.

### **Are there different classes of Membership within the Association?**

Yes. There will be both Class A Members and a Class B Member. Class A Members are all owners of Residences within the Community, other than Seller. Each Class A Member has one (1) vote for each Residence owned by such member. The Class B Member is the Seller, who is entitled to five (5) votes for each Lot or Residence owned by the Seller. The Class B Membership will be converted to Class A Membership upon the first to occur of (i) the date when the total number of votes outstanding under the Class A Membership equals the total number of votes outstanding under the Class B Membership, (ii) the date that is ten (10) years after the recording in the Public Records of Hillsborough County, Florida, the Declaration, and (iii) the date on which Seller records a notice in the Public Records of Hillsborough County, Florida. Until such time as the Class B Membership is terminated, the Seller will have control of the Association. If more than one person owns a Residence, all of them will be members of the Association, however, collectively, they will have only a single vote as to such Residence.

### **Will I be required to pay any Assessments to the Association?**

Yes. The Declaration provides that the Association may impose and collect certain Assessments against each Residence and Owner of a Residence within the Community for the purposes of maintaining Common Areas, any Limited Common Areas, and for such other purposes as are provided in the Declaration. There shall be an Annual Assessment established by the Association which is payable in monthly installments on the 15<sup>th</sup> day of each calendar month. Additionally, the Association is entitled to establish certain Special Assessments including (i) upon the sale of each Residence by Seller in connection with the development of the Community a Special Assessment for working capital equal to two (2) months' of the estimated regular Assessment (i.e., the monthly installment of the Annual Assessment) and (ii) Special Assessments for nonrecurring maintenance items or for the acquisition, construction, reconstruction, repair or replacement of any capital improvement within the Common Area or under the Association's control. Additionally, the Association has the ability to make Specific Assessments against a Residence for accrued, liquidated indebtedness of an Owner to the Association under the Declaration under any contract or as a result of any act or omission of an Owner.

### **Will my Residence be subject to a Lien?**

If an Owner does not pay any Assessment when due, the Association has the power to record and enforce through foreclosure an Assessment Lien against the Owner's Residence.

### **Will my Residence be subject to property taxes?**

Yes. All real property in Florida is as a general matter subject to real property taxes and assessments unless specifically exempted by law. At the closing of your Residence, the taxes and assessments for your Residence for the current tax year will be prorated as of the closing date, so that the Developer will be responsible for that portion of the taxes and assessments up to the closing date and you will be responsible for that portion of the taxes and assessments for the period beginning and including the closing date until the end of the then-current tax year. Given that your Residence will be under construction prior to the closing date of your Residence, it is more than likely that the taxes and assessments due for the then-current tax year will be significantly less than taxes and assessments due for tax years after the tax year in which the closing of your Residence occurs. The Hillsborough County Property Appraiser ("HCPA") has the right to reassess the Residence upon any sale and annually thereafter to determine its then current taxable value. Real estate taxes and assessments are based on the HCPA's annual assessment of the specific property as of January 1 of each tax year and tax millage rates adopted each year by the Hillsborough County Commission and other agencies and special districts within which your Residence will be located. The HCPA normally assesses properties and sends to the property owner before the end of each August an Annual Notice of Property Assessment (Truth in Millage Notice also known as a "TRIM Notice") showing the estimated "just value" of the property as of January 1 of the tax year. The TRIM Notice is not a tax bill, but is instead an estimate of the "just value" of the property and the estimated tax that will be due on the property based on the millage rates of the various governmental entities to which your property is subject. Tax payers may request a review of the "just value" by contacting the HCPA. Tax bills for each tax year are generated by the Hillsborough County Tax Collector ("HCTC"). The tax bill for each tax year is due by March 31<sup>st</sup> of the following year, but may be first paid as November 1 of the applicable tax year. You may obtain a discount of your overall tax bill by paying the same earlier. Currently, you may obtain a 4% discount if the taxes are paid in November, a 3% discount if the taxes are paid in December, a 2% discount if the taxes are paid in January, and a 1% discount if the taxes are paid in February. Correspondingly, if you do not pay your taxes on or before March

31<sup>st</sup> of the year following the tax year for which taxes have been assessed, you will be subject to interest and late charges on delinquent taxes. Further, if you are delinquent in taxes as of April 1, the HCTC is required during the month of May to advertise a list of all delinquent taxes in Hillsborough County, and conduct on the last Saturday in May a Tax Certificate Sale to third parties who bid at the sale. A Tax Certificate is an interest bearing lien for the unpaid taxes and assessments, as well as penalties and fees, which constitute a first lien (ahead of any mortgage) against the property for which the taxes are due. A Tax Certificate's face amount will be an amount equal to the delinquent taxes and assessments, interest at 3% of the delinquent amount, the HCTC's commission (currently 5% of the delinquent amount), and advertising and other costs associated with the sale of Tax Certificates. The face amount of the Tax Certificate will bear interest at a rate as bid by the purchaser of the Tax Certificate at the Tax Certificate Sale but not more than 18% simple interest per annum. In order to pay off a Tax Certificate, the property owner must pay the amount of the Tax Certificate and interest thereon to the HCTC, who will in turn pay the same to the holder (purchaser) of the Tax Certificate. If the property owner owing delinquent taxes and assessments fails to pay off and redeem the Tax Certificate within two (2) years from the date of delinquency, the holder of the Tax Certificate may apply for issuance of a Tax Deed as to the property and see a Tax Deed foreclosure to acquire the property.

You may be entitled to seek certain exemptions of a portion of the just value of your Residence as determined by the HCPA from the imposition of taxes and/or assessments against the Residence. These exemptions are generally as follows:

- Homestead Exemption: Florida law allows up to a \$50,000 to be deducted from the assessed value of your primary/permanent residence. If you qualify for the exemption, the first \$25,000 of assessed value is entirely exempt. The second \$25,000 exemption applies to the value between \$50,000 and \$75,000 but the exemption on the second \$25,000 does not include school district taxes. If you obtain a homestead exemption, any annual increase in the assessed value of the property is capped at the lower of 3% or the Consumer Price Index (subject to certain exceptions). When homesteaded property is sold, it loses the exemption and the assessed value increases to the just/market value for the then current tax year. If you sell your Residence that was subject to a capped amount as provided above, you may be eligible to transfer the cap to a new property.
- Personal Exemptions:
  - \$5,000 Military Disability is available for any military service connected disability of less than 100%.
  - Service Connected Total and Permanent Disability is extended to all military service connected disabled veterans with a total or permanent disability.
  - Fallen Heroes Family Tax Relief Act provides for a 100% exemption of the property on the homestead property of a surviving spouse of a military veteran who died from service connected causes while on active duty as a member of the US armed forces or a first responder who died in the line of duty.
  - Veterans With Combat Related Disability, 65 years and Older exemption
  - Deployed Military Active Duty exemption
- Senior Citizen over 65 Low Income Exemption is available to residents whose municipalities in Hillsborough County have adopted an ordinance allowing the exemption to apply on taxes levied by that municipality (currently, City of Tampa, up to \$50,000; unincorporated Hillsborough County, up to \$50,000; and City of Temple Terrace, up to \$25,000). The exemption is available if the property is homestead, at least one owner is 65 or older, and is based on adjusted gross income of the household.

PLEASE NOTE THAT NONE OF THE EXEMPTIONS SET FORTH ABOVE ARE AUTOMATIC. YOU MUST APPLY FOR ANY APPLICABLE EXEMPTION THROUGH THE HCPA.

You should contact the HCPA or the HCTA regarding specific questions that you may have as to assessment of taxes or exemptions that may be available to you. You may obtain further information by visiting their websites as follows:

HCPA: [www.hcpafl.org](http://www.hcpafl.org)

HCTA: [www.hillstax.org](http://www.hillstax.org)

### **Who is responsible for the expense of Water and Sewer?**

Each Owner is responsible for potable water, reclaimed water for irrigation, and wastewater fees. Seller has the right to either require the installation of individual meters by the utilities providing such services on each Residence which utilities shall direct bill each Owner or the right to provide that the Association pay for such fees and install submeters on each Residence, in which case the Owner shall pay amounts due for such fees directly to the Association.

### **What other services may be provided?**

The Association is entitled to contract directly with any franchised cable television or internet operator and a valet waste service to provide waste hauling services. In such case, the fees allocable for such applicable service for each Residence will be included within the monthly payment of the Annual Assessment due from each Owner.

### **Are there restrictions on construction or modifications to my Residence?**

Yes, all new construction (other than that undertaken by Seller in connection with its Development of the Community) and all modifications to existing construction and exteriors of improvements within the Community are subject to prior written approval of the Architectural Review Committee (“**ARC**”) established pursuant to the Declaration. The ARC has the right to establish design standards and the right to approve plans and specifications as well as materials, and design and color schemes for any Residence within the Community, and approval must be obtained prior to commencement of any such construction or modifications as provided in the Declaration. Failure to comply with the architectural review provisions of the Declaration is a violation of the Declaration for which both the Association and the ARC have certain remedial rights.

### **Is the roadway system within the Community publicly maintained or privately maintained?**

The Community’s internal roads, as well as street lighting, traffic control signage, etc. are intended to be private and maintained by the Association and will not be maintained by any governmental authority.

### **Are there restrictions on the use of my Residence?**

Yes. Below are some but not all of the restrictions on use of Residences. The Declaration provides that Residences may be used for single-family residential purposes only. Business activities may be conducted by an Owner from such Owner’s Residence provided that the Residence is such Owner’s residence and such use is incidental to such Owner’s residential use

of such Owner's Residence, and certain other restrictions as provided in the Declaration. All property identification markers (i.e., street number markers) shall be consistent with standards adopted by the ARC. Temporary structures may not be maintained on any Lot, except in connection with Seller's construction activities. Building materials shall not be stored on a Lot or Residence except in connection with its construction. No artificial grass or vegetation may be installed on any Lot. No more than one (1) dog, cat, or other small household pet may be kept on a Residence and dogs may not exceed 70 pounds in weight. No commercial breeding activities may be operated from any Residence and no other animals, livestock, poultry shall be raised, bred, or kept at any Residence. There shall be no swimming pools installed within the Community except for the Club Facilities. Radio and television transmission or reception antennae, satellite dishes, towers and other apparatuses are prohibited on any Residence. Window air conditioning units are prohibited within the Community. Vehicles may be parked within garages or on driveways only and in on-street parking areas (if any) designated by the Association. Certain vehicles including commercial vehicles, mobile homes, RVs, trailers, campers, camper trailers, conversion vans, boats, watercraft, and boat trailers may be parked only in enclosed garages. No awning are permitted within the Community.

**May I operate a golf cart within the Community?**

Yes. However, operation and storage of golf carts are subject to the provisions of the Declaration applicable thereto and rules and regulations established by the Association.

**May I lease my Residence?**

Only with the approval of the Board of Directors and only in accordance with the provisions of the Declaration.

**What is the Club?**

The Club is intended to be an integral part, and a social hub, of the Community for the purposes of enhancing the overall Community and living experience of Owners and providing social activities, dining facilities, and recreational facilities for Owners of Residences and their guests.

**Who owns the Club?**

The Club and all of the Club Facilities are to be owned and operated by the Seller. Owners of Residences do not have any ownership interest in the Club. The Seller may retain a management company to operate the Club. The Seller may also transfer the Club to another owner or operator and may also require the Association to take over operation of the Club. The Association, however, has no right to require that the Seller or any subsequent owner transfer the Club to the Association.

**Am I required to be a Member of the Club?**

Yes, all owners of Residences must be members of the Club.

**Is there an initiation fee in connection with my membership in the Club?**

Not as to Units purchased or acquired directly from Seller. You will not be required to pay an initiation fee upon acquisition of your Unit from Seller. However, all Owners of Residences within the Community who acquire Units other than from the Seller, including any person who

subsequently acquires a Unit owned by you, are required to pay an initiation fee, in an amount established from time to time by the Club Owner, upon acquisition of their Residence. The Club Owner reserves the right to increase or decrease, or eliminate or suspend, initiation fees in its sole and absolute discretion. Currently, the initiation fee for persons who do not purchase or acquire their Unit directly from the Seller is \$10,000.00.

**Will there be dining facilities?**

Yes, the Club Facilities will include one or more kitchens and dining rooms for the purposes of providing food and beverage service for Members of the Club and their guests.

**Are there other charges associated with the Club?**

Yes. All Members of the Club are responsible for their proportionate share of Club Operating Costs based on an annual budget established by the Club Owner. Additionally, each Member of the Club is responsible for payment of dining and beverage charges incurred by such Member or such Member's guests, including all charges for any required or voluntary Meal Plan as may be established from time to time by the Club Owner. The Club Owner also reserves the right to charge membership transfer charges, specific charges for services performed for any Member of the Club, catering charges, ticket, service and/or use fees for special services, events, or performances within the Club Facilities. Club charges shall be payable at such intervals as determined from time to time by the Club Owner.

**What if I do not use the Club? Am I able to avoid Charges of the Club by not using the Club Facilities?**

No. All Owners are required to be Members of the Club and are required to pay Club Charges regardless of their use. Owners are not permitted to avoid charges associated with the Club by not using the Club Facilities. However, if an Owner does not timely pay Club Charges when due, the Club Owner may suspend such Owner's access to or use of the Club Facilities among other remedies as provided in the Declaration, including imposition of late fees, interest on past due amounts at the highest rate permitted by Florida law, and costs of collection including attorneys' fees.

**Does the Club have rules and regulations governing membership in or use of the Club?**

The Club Owner has the unilateral right to establish and amend from time to time rules and regulations regarding membership in the Club as well as the use of Club Facilities and each Member of the Club shall be bound by such rules and regulations in connection with such Member's membership in the Club or its use of Club Facilities. The Club Owner additionally has the right pursuant to the Declaration to impose other charges, costs, or expenses in connection with membership in the Club or use of Club Facilities pursuant to rules and regulations of the Club as adopted by the Club Owner from time to time.

**Will the Club be available upon Closing of my Residence?**

Not necessarily. Due to design, permitting, and construction, as well as any delays in same, the Club Facilities may not be fully completed or ready for use upon the Closing of your Residence.