

successors in title unless expressly assumed by them and then only with the consent of the Association. All assessments shall be shared equally by the owners of each lot.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the health, safety and welfare of the residents and the Property; enforcing these covenants and the rules of the Association; improving and maintaining the Property and the residences situated thereon; and providing the services and facilities for purposes of and related to the use and enjoyment of the common area and facilities.

Section 3. Amount of Assessment.

(a) Initial Assessment. The initial Board of Directors of Association shall establish a budget for recurring expenses and reserve funds and shall further establish the initial assessment per lot. Said budget and initial assessment shall be furnished purchasers of lots prior to the execution of any Contract of Sale for the purchase of any lot in this subdivision.

(b) Increase by Association. From and after January 1, 1984 the annual assessment effective from any year may be increased from and after January 1 of the succeeding year by the Board of Directors, without a vote of the membership, by a percentage which may not exceed the percentage increase reflected in the U. S. City Average, Consumer Price Index - United States and selected areas for urban wage earners and clerical workers, all items most recent index and percentage changes from selected dates (published by the U. S. Bureau of Labor Statistics, Washington, D. C.), or such other index as may succeed the Consumer Price Index, for the twelve month period ending the immediately preceding July 1.

(Explanatory Note. It is the objective of this paragraph (b) to enable the Board of Directors to increase dues sufficiently to assure the adequate maintenance to which every homeowner is entitled. On the other hand, the Board of Directors should not have unlimited authority to raise dues without the consent of at least two-thirds of the homeowners. The Consumer Price Index, which is published by the Federal Government, reflects rises and falls in the cost of living. However, it is formulated by tabulating the price of many factors, such as wages, food, clothing, housing, etc. The items included in the Consumer Price Index, which would directly affect the need to lower or raise the dues of homeowners in order to properly maintain homes, landscaping, parking areas, and other common facilities, would be such items as costs of labor, roofing, and landscape maintenance. Conceivably, during some years the cost of these items may rise more than the average increase in the Consumer Price Index.