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which are not owned by Association, based upon their proportionate interest in General Common Elements and Limited Common Elements exclusive of the interests therein appurtenant to any Unit owned by Association.

B. The assessment levied against the co-owner of each Unit shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of Association.

C. The Board of Directors of Association shall establish an Annual Budget in advance for each fiscal year which shall correspond to the calendar year, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of The Highlands Horizontal Property Regime, including a reasonable allowance for contingencies and reserves, such budget to take into account projected anticipated income which is to be applied to reduction of the amounts required to be collected as an assessment each year. Upon adoption of such Annual Budget by the Board of Directors of Association, copies of said Budget shall be delivered to each co-owner of a Unit and the assessment for said year shall be established based upon such Budget, although the delivery of a copy of said Budget to each co-owner shall not affect the liability of any co-owner for such assessment. Should the Board of Directors at any time determine, in the sole discretion of said Board of Directors that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of The Highlands Horizontal Property Regime, or in the event of emergencies, said Board of Directors shall have the authority to levy such additional assessment or assessments as it may deem to be necessary.

D. The Board of Directors of Association, in establishing said Annual Budget for operation, management and maintenance of the Project, shall include therein a sum to be collected and maintained as a reserve fund for replacement of General Common Elements and Limited Common Elements, which reserve fund shall be for the purpose of enabling Association to replace structural elements and mechanical equipment constituting a part of General Common Elements and Limited Common Elements, as well as the replacement or personal property which may constitute a portion of the General Common Elements and Limited Common Elements held for the joint use and benefit of all of the co-owners of all units. The amount to be allocated

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