

termination, or sixty (60) days salary in lieu of any prior notice. The Manager shall be bonded in such amount as the Board of Directors shall require. Any agreement for professional management of the project must provide that the management contract may be terminated at any time without penalty upon not more than ninety (90) days notice and the terms of such contract cannot exceed one (1) year, renewable by agreement for successive one-year periods.

E. Notice. Notice for any purpose may be given by the Association to residence owners and the residence owners to the Association in the manner provided in the By-Laws for notice of meetings to members of the Association.

XV. ASSESSMENTS

Assessments against the residence owners shall be determined by the Manager (subject to review and revision by the Board of Directors at a regular meeting following timely notice to the Directors that the Manager's determination shall be an Agenda item) and shall be governed by the following provisions, provided, however, notwithstanding anything to the contrary herein, no unit owner will ever be assessed a percentage of the common expenses in excess of his percentage undivided interest.

A. Share of Expense.

(1) Common Expenses. Common expenses are those which under this Declaration are to be borne by all co-owners and shall be the liability of all co-owners, but every residence owner shall be liable for only that fractional interest of common expenses equal to that residence owner's percentage undivided interest of ownership in the common area and facilities at the time the common expense is incurred.

(2) Individual Expense. Each residence owner shall be liable for all expenses attributable to his ownership, use or occupancy of his residence, except only the common expenses above stated for which the Association is liable. Such individual expense shall include, but not be limited to, taxes on the residence and undivided interest in the common area and facilities and all utilities, where applicable, used by the residence.

B. Accounts. All sums collected from assessments (except for reserves which shall be maintained in a separate account and not used for operation) may be mingled in a single fund but they shall be held in trust for the residence owners in the respective shares in which they are paid, and shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made. Such accounts shall be a common expense account to which shall be credited collections of assessments for common expenses. The residence owners shall not be entitled to receive any prorata share of the assessment funds upon the sale or transfer of the residence.

C. Assessments for Recurring Expense. Assessments for recurring expense for each expense account shall include the estimated expenses chargeable to the account. Assessment for recurring expenses shall be made for the remainder of the calendar year in which this Declaration is filed, and for each calendar year thereafter annually in advance. Such assessments shall be due in equal consecutive monthly payments on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, a payment in the amount required by the last prior assessments shall be due upon each assessment payment date until changed by a new assessment.

D. Assessments for Emergencies. Assessments for expenses of emergencies for each expense account which cannot be paid from the

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