

of Directors without the consent of the homeowners. To accomplish such objectives it is essential to use some formula. The Consumer Price Index is used by many associations because it provides a generally accepted measurement of the rise in cost of living.

If the Consumer Price Index formula should ever prove inadequate to provide for the maintenance which the Board of Directors feels is necessary, the Board must then obtain the consent of two-thirds of the homeowners as provided in paragraph (c) of this Section 3 in order to increase dues to an amount greater than is permitted under the Consumer Price Index formula.)

(c) Increase by Members. From and after January 1, 1983 the annual assessment may be increased by a percentage greater than that established by the Consumer Price Index formula by an affirmative vote of two-thirds of each class of members who are voting in person or by proxy, at a meeting duly called for such purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) Criteria for Establishing Annual Assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of the sums derived by application of the Consumer Price Index formula provided in Subsection (b) without the consent of members required by Subsection (c) of this Section 3.

(e) Lots Owned by Declarant. Notwithstanding anything in this Article VI to the contrary, all lots owned by Declarant and held for sale shall be assessed at an amount equal to the pro rata monthly maintenance expense less reserve payments but in no event less than 25% of the actual monthly assessments paid by owners.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs