

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the recreation, 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. Up to and including January 1, 1983, the initial annual assessment shall not be in excess of \$900.00 Dollars per lot, the exact amount of which shall be determined from time to time as provided in Subsection (d) of this Section 3.

(b) Increase by Association. From and after January 1, 1983 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

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