

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 as soon as practicable after 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 assessment shall be due upon each assessment payment date until changed by a new assessment.

D. Assessment for Reserve. An adequate reserve fund for the periodic maintenance, repair and replacement of the common elements must be established and must be funded by regular monthly payments rather than by special assessments. Upon the purchase of each unit from the Declarant or at any time thereafter, at the request and at the option of the Board of Directors, each unit owner, shall deposit with the Manager of the property, or as may be otherwise directed by the Board, an amount equal to double the monthly assessment relating to such owner's unit. Such amount shall be held, together with the amounts similarly deposited by the other unit owners, as an operating reserve for common expenses and shall be used and applied from time to time as may be needed toward meeting deficits and for such other common purposes as the board may deem necessary. To the extent that the said operating reserve may be depleted, or in the judgment of the board may be inadequate, the board may increase the same by an assessment to the members in the proportion of their ownership interest in the Common Elements. The said operating reserve on hand from time to time shall not be refunded to a unit owner in the event he sells his unit.

E. Assessments for Emergencies. Assessments for expenses of emergencies for each expense account which cannot be paid from the assessments for recurring expenses shall be made only after notice of

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