

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 Unit Owner shall be liable for only that fractional interest of common expenses equal to that Unit Owner's percentage undivided interest of ownership in the Common Area at the time the common expense is incurred.

2. Individual Expense - Each Unit 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 the electricity and gas 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 Unit 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 Unit Owners shall not be entitled to receive any pro-rata 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. An adequate reserve