

Section 9.5. Right to Notice and Hearing. Whenever the Governing Documents require that an action be taken after "notice and hearing," the following procedure shall be observed: The party proposing to take the action (e.g., the Board of Directors, a committee, an officer, a Managing Agent, etc.) shall give notice of the proposed action to all Owners whose interests the proposing party reasonably determines would be significantly affected by the proposed action. The notice shall be delivered personally or mailed not less than three (3) days before the proposed action is to be taken. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected Person shall have the right, personally or by a representative, to give testimony orally and/or in writing, subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected Person shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and hearing shall have the right to appeal to the Board of Directors from a decision of a proposing party other than the Board of Directors by filing a written notice of appeal with the Board of Directors within ten (10) days after being notified of the decision. The Board of Directors shall conduct a hearing within forty-five (45) days, giving the same notice and observing the same procedures as were required for the original hearing.

Section 9.6. Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association may collect from purchasers at the time of the initial sale of each Improved Lot by Declarant an amount not to exceed three (3) months' worth of annual Assessments based on the Association's budget in effect at the time of the sale. Such payments to this fund shall not be considered advance payments of annual Assessments.

Developer  
has selected  
3 months.

## ARTICLE 10 ASSESSMENTS

Section 10.1. Commencement of Annual Assessments. Until the Association makes an Assessment for Common Expenses, the Declarant shall pay all Common Expenses. The first Assessment shall be imposed upon the recording of a Deed conveying the first Improved Lot. After any Assessment has been made by the Association, Assessments shall be made against all Improved Lots no less frequently than annually and shall be based on a budget adopted no less frequently than annually by the Association. Notwithstanding anything to the contrary set forth herein, assessments to the Master Association shall be paid in accordance with Section 10.7(b).

Section 10.2. Annual Assessments. The Association shall levy annual Assessments to pay for the Common Expense Liability allocated to each Improved Lot pursuant to this Declaration. The total annual Assessments shall be based upon a budget of the Association's cash requirements for upkeep of the Project including maintenance, repair and replacement of the Common Elements and the Residence Exteriors as required by the Act and the Governing Documents. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves shall be credited to the Owners in proportion to their Common Expense Liability or credited to them to reduce their future Assessments for Common Expenses.

Section 10.3. Apportionment of Annual Assessments. The total annual Assessments for any fiscal year of the Association shall be assessed to the Improved Lots in proportion to their percentage of Common Expenses Liability as shown on Exhibit B, subject to: (a) Common Expenses which are separately metered or assessed to the Improved Lots by third parties or pursuant to service