

8. FISCAL MANAGEMENT. Fiscal management shall be in accordance with the following provisions:

8.1 Budget. The budget shall be adopted by the Board. A proposed annual budget of common expenses shall be prepared by the Board of Directors that shall include all anticipated expenses for operation, maintenance, and administration of the Condominium. The proposed budget may also include expenses of security, in-house communications, Directors and Officers insurance, transportation services, and bulk cable or master antenna television, all of which are declared to be common expenses under these Bylaws. The proposed budget shall include reserve per F.S. 718.112(2)(f)2, as amended from time to time, the funding of which may be waived or reduced by the Owners. Reserve funds and any accrued interest on the funds shall remain in the reserve account for authorized reserve expenditures unless their use for other purposes is approved in advance by a vote of the majority of the Voting Interests of the Condominium at a duly called meeting of the Association or by the written approval of a majority of the Voting Interests of the Condominium. The budget will contain a reasonable allowance for contingencies and provide funds for all operating expenses previously incurred. If at any time a budget shall prove insufficient, it may be amended by the Board of Directors for the remaining portion of the fiscal year, provided that notice of the Board meeting at which the revised budget will be considered along with a copy of the proposed revisions of the budget shall be mailed to each member as provided in Article 8.2 hereof. If an adopted budget requires assessments against the Unit Owners in any fiscal or calendar year that exceed one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, on written application of ten percent (10%) of the Voting Interests to the Board, shall call a special meeting of the Unit Owners within thirty (30) days on not less than ten (10) days' written notice to each Unit Owner. At the special meeting, Unit Owners shall consider and enact a budget. The adoption of the budget requires a vote of not less than a majority vote of all the Voting Interest of the Association. The Board may propose a budget to the Unit Owners at a meeting of members of in writing, and if the budget or proposed budget is approved by the Unit Owners at the meeting or by a majority of all the Voting Interests in writing, the budget is adopted. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors goes into effect as scheduled. In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provision for reasonable reserves for repair or replacement of the Condominium Property, anticipated expenses by the Association that are not anticipated to be incurred on a regular basis, or assessments for betterments to the Condominium Property or Association Property must be excluded from the computation.

8.2 Mailing. A copy of the proposed annual budget shall be mailed or hand-delivered to the Unit Owners not less than fourteen (14) days prior to the meeting of the Directors at which the budget will be adopted together with a notice of the meeting.

8.3 Assessments. The annual shares of the Unit Owners of the Common Expenses shall be made payable in installments due monthly or quarterly (as determined by the Board) in advance and shall become due on the first day of each period and shall become delinquent ten (10) days thereafter. The Association shall have the right to accelerate assessments of an Owner delinquent in the payment of common expenses. Accelerated

assessments shall be due and payable on the date a claim of lien is filed and may include the amounts due for the remainder of the fiscal year for which the claim of lien was filed.

8.4 Special Assessments. Assessments for common expenses that are not provided for and funded in the budget or an amendment to the budget may be made by the Board of Directors, and the time of payment shall likewise be determined by them. Notice of the Board meeting at which assessments shall be considered shall be posted and mailed to each Unit Owner as provided in Article 3.7 hereof except in the event of an emergency. The funds collected under a special assessment shall be used only for the specific purpose or purposes set forth in such notice. However, on completion of the specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the Board, either be returned to the Unit Owners or be applied as a credit towards future assessments.

8.5 Assessment Roll. The assessments for Common Expenses and Charges shall be set forth on a roll of the Units, which shall be available for inspection at all reasonable times by Unit Owners. The roll shall indicate for each Unit the name and address of the Owner and the assessments and charges paid and unpaid. A certificate made by a duly authorized representative of the Association or by the Board of Directors (estoppel) as to the status of a Unit's account may be relied on for all purposes by any person for whom made.

8.6 Liability for Assessments and Charges. A Unit Owner shall be liable for all assessments and charges coming due while the Owner of a Unit, and the Owner and Owner's grantees or successors after a voluntary conveyance or other acquisition of title shall be jointly and severally liable for all unpaid assessments and charges due and payable up to the time of the voluntary conveyance. Liability may not be avoided by waiver of the use or enjoyment of any Common Elements or Association Property or by abandonment of the Unit for which the assessments are due. When a mortgagee holding a first mortgage of record obtains title to a Unit by foreclosure, the mortgagee and its successors and assigns shall be liable only for the Unit's assessments, charges, or share of the common expenses that became due prior to acquisition of title as provided in F.S. 718.116, as amended from time to time.

8.7 Liens for Assessments. The unpaid portion of an assessment, including any accelerated assessment that is due, together with all costs, interest, late fees, and reasonable attorneys' fees for collection, including appeals, shall be secured by a continuing lien on the Unit.

8.8 Lien for Charges. Unpaid Charges due to the Association together with costs, interest, late fees, and reasonable attorneys' fees shall be secured by a common-law and contractual lien upon the Unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association.

8.9 Collection - Interest; Administrative Late Fee; Application of Payments. Assessment or charges paid within ten (10) business days after the date due shall not bear interest, but all sums not paid on or before then (10) day shall bear interest at the highest rate permitted by law from the date due until paid. In addition to interest the Association may charge an administrative late fee in an amount not to exceed the greater of fifty dollars (\$50) or five percent (5%) for each installment of the assessment for which payment is late, or the

maximum late fee permissible by law. All payments on account shall be first applied to interest, then the late fee, then to any costs and reasonable attorneys' fees incurred, and then to the assessment payment first due.

8.10 Collection - Lawsuit. The Association, at its option, may enforce collection of delinquent assessments or charges by lawsuit at law, by foreclosure of the lien securing the assessments or charges, or by any other remedy available under the laws of the state of Florida, and in any event the Association shall be entitled to recover the payments that are delinquent at the time of collection or judgment, together with those that have become due by acceleration or that have thereafter become due, plus interest thereon, and all costs incident to the collection and the proceedings, including reasonable attorneys' fees, incurred before trial, at trial, and on appeal. The Association may attach rental income for delinquent Units and may withhold approval for the sale, lease, or other transfer of a Unit, or any interest therein, until all past due assessments charges, interest, late fees, costs, and attorneys' fees have been paid in full. The Association must deliver or mail by certified mail to the Unit Owner a written notice of the Association's intention to foreclose the lien as provided by law.

8.11 Accounts. All sums collected from assessments or charges shall be credited to accounts from which shall be paid the expenses for which the respective assessments or charges are made.

8.12 Association Depository. The Depository of the Association in which the funds of the Association shall be deposited shall be financial institutions authorized to do business in Florida that carry FDIC insurance or equivalent private insurance such as insurance placed through the Society Investor Protection Corporation (SIPC), as shall be designated by the Board of Directors. Alternatively, the Association may deposit funds with brokerage houses or institutions that are members of the National Association of Securities Dealers, Inc. and insured by SIPC or equivalent industry insurance. Principal of association funds, whether reserves or operating funds, may not be placed at risk for investment purposes. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons as are authorized by the Directors.

8.13 Commingling of Funds. All funds shall be maintained separately in the Association's name. No community association manager or business entity required to be licensed or registered under F.S. 468.432, as amended from time to time, and no agent, employee, Officer, or Director of the Association, shall commingle any Association funds with his or her funds or with the funds of any other condominium association or community association as defined in F.S. 468.431, as amended from time to time, or with those of any other entity. Reserve funds and operating funds of the Association may be commingled for investment purposes, as provided by law.

8.14 Financial Reports. A complete financial report of actual receipts and expenditures of the Association shall be made annually that shall comply with F.S. 718.111(13), as amended from time to time, as determined in the Rule adopted by the Division, based upon the amount of the Association's budget from time to time.

8.15 Fidelity Bonding. The Association shall obtain and maintain adequate fidelity bonding in the minimum principal sum set forth in F.S. 718.111(11), as amended from time to time, for each person (whether or not a Director) who controls or disburses Association funds, and the President, Secretary, and Treasurer. The Association shall bear the cost of bonding. In the case of a licensed manager, the cost of bonding may be reimbursed by the Association as the parties may agree. All persons providing management services to the Association, or otherwise having the authority to control or disburse association funds, shall provide the Association with a certificate of insurance evidencing compliance with this section, naming the Association as an insured under the policy,