

Section 12: Professional Management of the Condominium

The Association may enter into a Management Agreement for the management and maintenance of the Condominium Property. Pursuant to such Management Agreement, the Association may authorize a Management Firm to assist the Association in carrying out the Association's powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association and its directors and its officers shall, however, retain at all times the powers and duties granted by the Condominium documents and the Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association. Each Unit Owner, such Owner's heirs, successors and assigns shall be bound by any such Management Agreement for the purposes therein expressed, and, by virtue of said party's taking title to a Condominium Parcel, said Owner hereby covenants and promises to perform each and every of the covenants, promises and undertakings to be performed by Unit Owners in the cases provided therefor in any such Management Agreement.

It is specifically recognized that some or all of the persons comprising the original Board of Directors and officers of the Association are or may be stockholders, officers and directors of any entity which contracts to provide management services for the Condominium, and that such circumstance shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate any such management agreement, in whole or in part.

Section 13: Determination of Assessments

13.1 General Assessment. The Board of Directors shall from time to time, and at least annually, prepare and adopt a budget for the Condominium ("Budget for Common Expenses"), determine the amount payable by the Unit Owners to meet the General Common Expenses of the Condominium, and allocate and assess such expenses among the Unit Owners in accordance with the provisions of this Declaration and the By-Laws ("General Assessment"). The Board of Directors shall then advise all Unit Owners promptly in writing of the amount of the General Assessment payable by each of them. The Budget for Common Expenses shall include the reserves required by law or determined appropriate by the Board, the costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles of Incorporation, the By-Laws or applicable rules and regulations of the Association. Incidental income to the Association, if any, may be used to pay regular or extraordinary Association expenses and liabilities, to fund reserve accounts, or otherwise as the Board shall determine from time to time, and need not be restricted or accumulated. Any adopted Budget for Common Expenses shall be subject to change by the Board of Directors, and the amount of the General Assessment shall be changed in accordance with such revised Budget for Common Expenses to cover actual expenses at any time.

13.2 Special Assessments, Capital Improvement Assessments and Limited Common Element Assessments. In addition to General Assessments, the Board of Directors may levy "Special Assessments" and "Limited Common Element Assessments" on the following terms and conditions:

(a) "Special Assessments" shall mean amounts levied against each Owner and such Owner's Unit, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements.

(b) "Capital Improvement Assessments" shall mean and refer to amounts levied against each Owner and his Unit, representing a portion of the costs incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from maintenance, repairs and replacement) of any capital improvements located or to be located within the Common Elements.

(c) Special Assessments and Capital Improvement Assessments may be levied by the Board of Directors and shall be payable in lump sums or installments, in the discretion of the Board; provided that if such Special Assessments and Capital Improvement Assessments, in the aggregate in any year, exceed \$5,000.00 or cause the total Assessments levied to exceed 115% of Assessments for the proceeding calendar year, the Board must obtain approval of a majority of the Owners of Units represented duly called, noticed and held in accordance with the By-Laws and the Act.