

lives and anticipated replacement or repair costs. Expenditures from the reserve accounts for a particular item will not be limited to the amount allocated to that item.

Section 14. Deficits in the Operating Account. Any deficit in the Operating Account at the end of an assessment period shall be recovered through appropriate adjustments to the annual budget in not more than three (3) years. Nothing herein is intended to prohibit the Board from recovering the deficit in a shorter period of time including, without limitation, adopting a special assessment payable over the remaining months of the annual assessment period following the fiscal year during which the deficit was created.

Section 15. Reserve Funds. The Board will not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, deferred maintenance repairs and capital replacements. Notwithstanding anything herein to the contrary, the Board in its determination of the annual assessment and the preparation of a budget shall specifically designate and identify that portion of the annual assessment that is to be assessed against the Unit Owners for capital replacement and deferred maintenance reserves. The amounts assessed and collected for the reserves shall be invested in one or more interest-bearing savings accounts, certificates of deposit, treasury bills, or other instruments where the principal is guaranteed by the full faith and credit of the United States or one of its individual states. Except as provided in Section 14 of this Article IX, funds so invested shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

Section 16. Membership Fees. Each purchaser, upon acquiring title to a Unit, shall, as a condition of membership in the Association, pay a membership fee equal to \$1,000.00 ("Membership Fee") to the Association. The amount of the Membership Fee may be increased or otherwise amended by resolution of the Board, at the Directors' sole discretion.

The Membership Fee is nonrefundable, nontransferable and shall not be credited to the purchaser by the Association upon sale by the purchaser of his, her, or their unit. Any unpaid Membership Fee, as set forth in this section, shall be a lien on the Unit and collectable in the same manner as any unpaid Common Expense assessment attributable to the Unit.

The Board may reduce the amount of the Membership Fee or eliminate the Fee if, in the Board's sole discretion, the Directors determine that the imposition of the Fee may have a negative impact upon the sale of units within Section 8. If, at any time, the Board reduces or eliminates the Membership Fee, it may reinstate it at any time thereafter if the Directors determine that such charges will not negatively impact the sale of Units. In no event will the Association be obligated to rebate the Membership Fees previously paid as a result of the Board having, on one or more occasions, reduced or otherwise eliminated the requirement that the Membership Fee be paid.