

BY-LAWS

OF

SEA HORSE PARK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

OFFICES

The registered office of the corporation in the State of Florida shall be located in the County of Pinellas at:

8424 Bay Pines Boulevard North
St. Petersburg, Florida

ARTICLE II

PURPOSE

The directors shall govern this Corporation in accordance with these By-laws.

ARTICLE III - SHAREHOLDERS

Section 1. All of the owners of condominium units (hereinafter "Unit Owners") shall be shareholders of this corporation. Upon recording of a deed establishing a change of record title to a condominium unit in the condominium, and the delivery to the corporation of a true copy of the said recorded instrument, the new owners designated by said instrument shall become members of the corporation, and the membership of the prior owner shall be thereby terminated.

Section 2. The owners of condominium units shall be entitled to voting interests in the affairs of the corporation equal to the same percentage or fractional share of the unit's share of the common elements, common surplus and the common expenses of the condominium, as set forth for each unit in Article VI of the Declaration of Condominium.

Section 3. The determination of persons entitled to vote shall be based upon record title to the unit, plus the furnishing to the Association of certified copies of recorded deed or other instrument of conveyance or transfer of the unit, and in sending notices of meetings and the recording votes, the Association or any other persons, shall be entitled to rely on the record title for each unit, as furnished to the Association at its office.

If a unit is owned by more than one person, or is under lease, the person entitled to cast a vote for the unit shall be designated by a voting certificate, signed by all of the record owners of the unit and filed with the Association.

If a unit is owned by a corporation, the person entitled to cast a vote for the unit shall be designated by a voting certificate signed by the President or Vice President and attested to by the Secretary of the owner corporation and filed with this Association. Such voting certificate shall be valid until revoked or until superseded by a subsequent voting certificate, filed with the Association, or transfer of ownership of the unit, as above specified. A voting certificate designating the person entitled to cast a vote of a unit, may be revoked by any owner of the unit, by filing a written revocation or if it has been revoked, the vote of such owner or owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

EXHIBIT "E"

Section 4. No other person or legal entity may be a member of the corporation or vote in its affairs.

~~Section 5. No individual, corporation or entity other than the association may own more than five (5) units at any given time. See attachment.~~

ARTICLE IV

DIRECTORS

Section 1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of this corporation shall be managed under the direction of the Board of Directors.

Section 2. Qualification. Directors must be resident unit owners in the condominium.

Section 3. Compensation. The Shareholders, by majority vote, shall determine the rate of compensation, if any, for the Directors and officers.

Section 4. Duties of Directors. The directors shall have a fiduciary relationship to the Corporation. A Director shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

In performing his duties, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) one or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the the matters presented,

(b) counsel, public accountants or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence, or

(c) a committee of the board upon which he does not serve, duly designated in accordance with a provision of the Articles of Incorporation or the By-Laws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance described above to be unwarranted.

A person who performs his duties in compliance with this section shall have no liability by reason of being or having been a director of the Corporation. The Corporation shall indemnify and hold harmless any directors from liability for corporate action.

Section 5. Presumption of Assent. A director of the Corporation who is present at a meeting of its directors at which action on any Corporation matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 6. Number. This Corporation shall be managed by a board of nine (9) directors. The number of directors may be increased or decreased from time to time by amendment to these

By-Laws, but no decrease shall have the effect of shortening the terms of any incumbent director.

Section 7. Election and Term. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office. At the first shareholders meeting, the first three (3) directors shall be elected for a term of three (3) years. The second three (3) directors shall be elected for a term of two (2) years and the second three (3) directors for a term of one (1) year. Thereafter, at the expiration of each director's term of office his replacement will be elected at the annual shareholders' meeting for a term of three (3) years. This staggering of directors' terms is intended to provide continuity to the management of the Corporation. No director shall serve two successive three-year terms.

Section 8. Nominations. It shall be the duty of the Board of Directors to appoint, not less than 30 days prior to the annual meeting, a committee on nominations consisting of not less than three (3) members. No member of the Board may serve on such committee. The Secretary shall post and/or mail, with the notice of the meeting, a list of all the Directors and their terms of office, indicating the retiring Directors, a statement of the number of Directors to be elected and the names of the candidates. The Notice must be presented at least fifteen (15) days before the date of the annual meeting to permit the mailing and receipt of absentee ballots. Nothing contained therein shall, however, prevent additional nominations from the floor at the meeting of the members. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of Directors.

Section 9. Proposal of Directors. The proposal of members to become directors shall be in a manner provided by the directors and approved by the shareholders except that nothing shall prevent members from making nominations for a position or the Board of Directors from the floor at the annual shareholders meeting.

Section 10. Vacancies. Any vacancy occurring in the board of directors, including any vacancy created by reason of an increase in the number of directors, shall be filled by the remaining directors, who shall appoint such replacement director or directors as are necessary to fill any vacancies. A director so elected will serve until the next annual meeting at which time a replacement director shall be elected in the manner provided by these by-laws who shall serve the remainder of the unexpired term.

Section 11. Removal of Directors. At a meeting of the shareholders called expressly for that purpose, any director or the entire Board of Directors may be removed, with or without cause, by a vote or agreement in writing of a majority of all members then entitled to vote at an election of directors. A special meeting of the shareholders to recall a member or members of the Board may be called by ten percent (10%) of the shareholders giving notice of the meeting as required for a meeting of the shareholders and stating the purpose of the meeting.

Section 12. Quorum and Voting. A majority of the number of directors fixed by these By-Laws shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 13. Executive and Other Committees. The directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members, an executive committee and other committees, and each such committee shall serve at the pleasure of the Board with the authority contained

in the Florida Statutes. The Board, by resolution, may designate one or more directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee.

Section 14. Regular Meetings. Regular meetings of the directors shall be held on the third week of each month. These meetings are open to all members of the Corporation and notice shall be posted in a conspicuous place on the park property at least forty-eight (48) hours in advance of the meeting.

Section 15. Special Meetings. Special meetings of the directors may be called by the President or by any two (2) directors. Members of the Board of Directors may participate in a meeting of such board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. Such meetings must be open to all members and notice given as above.

Section 16. Notices.

(i) Notice of any meeting at which assessments against unit owners are to be discussed for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

(ii) The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of expenses to the unit owners who are out of town, at that address, not less than thirty (30) days prior to the meeting at which the budget will be considered. Otherwise a copy of the budget shall be posted in a conspicuous place on the park premises and written notice of the time and place of the budget meeting shall be delivered to each unit owner 30 days prior to such meeting.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of this Corporation shall consist of a president, vice president, secretary and treasurer. The president and vice president shall be elected by the Board of Directors from among its members. The Board of Directors shall elect or appoint a secretary and a treasurer, who need not be members of the Board of Directors. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors from time to time. The officers of the Corporation shall be elected or appointed at the Board meeting immediately following the annual meeting of the shareholders. Each officer shall hold office until his successor shall have been duly elected or appointed by the Board and shall have qualified or until his resignation, or until he shall have been removed in the manner provided herein. The failure to elect a president, secretary or treasurer shall not affect the existence of this corporation.

Section 2. Duties of Officers. The officers of this Corporation shall have the following duties:

THE PRESIDENT shall be the chief executive officer of the Corporation; shall have general and active management of the business and affairs of the Corporation subject to the directions of the Board of Directors, and shall preside at all meetings of the shareholders and Board of Directors.

THE VICE PRESIDENT shall preside in the absence of the President and perform the duties of the President in the event of his absence or disability.

THE SECRETARY shall have custody of, and maintain, all of the Corporation records except the financial records, shall record the minutes of all meetings of the shareholders and Board of Directors, send out all notices of meetings, and perform such other duties as may be prescribed by the Board of Directors or the President.

THE TREASURER shall have custody of the Corporation funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meetings of the shareholders and whenever else required by the Board of Directors or the President, and shall perform such other duties as may be prescribed by the Board of Directors or the President.

Section 3. Removal. Any officer or agent elected or appointed by the Directors may be removed whenever in their judgment the best interest of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Fiduciary Relationship. The officers of the Corporation have a fiduciary relationship to the Corporation and its shareholders.

ARTICLE VI

CERTIFICATES FOR SHARES

Section 1. Issuance. Every holder of shares in this Corporation shall be entitled to have a certificate, representing the share to which he is entitled.

Section 2. Form. Certificates representing shares of the Corporation shall be signed by the President and Secretary or by such other officers authorized by the Directors under the laws of the State of Florida and may be sealed with the seal of the Corporation or a facsimile thereof. All certificates shall be numbered according to the unit that they represent. All certificates representing shares shall state upon the face thereof; the name of the Corporation; that the Corporation is organized under the laws of the State; the name of the person or persons to whom issued; the par value of each share represented by such certificate or such statement that share is without par value.

Section 3. Lost, Stolen or Destroyed Certificates. The Corporation shall issue a new stock certificate in place of any certificate previously issued if the holder of record of the certificate (a) makes proof in affidavit form that it has been lost, destroyed, or wrongfully taken; (b) request the issue of a new certificate before the Corporation has noticed that the Certificate has been acquired by a purchaser for value in good faith and without notice of any adverse claims (c) gives bond in such form as the Corporation may direct to indemnify the Corporation, the transfer agent, and registrar against any claim that may be made on account of the alleged lost, destruction, or theft of a certificate; and (d) satisfies any other reasonable requirements imposed by the Corporation.

Section 4. Transfer of Shares. Upon surrender to the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer book of the Corporation which shall be kept at its principal office. All such transfers are subject to the condition that only owners of mobile homes within Sea Horse are eligible to be shareholders in this Corporation.

The Corporation shall be entitled to treat the holder of record of any share as the holder in fact thereof, and accordingly, will not be bound to recognize any equitable or other

claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of the State.

ARTICLE VII

MEETINGS OF SHAREHOLDERS

Section 1. Annual Meeting. The annual meeting of the shareholders of this Corporation shall be held the third week of March of each year. The annual meeting of the shareholders for any year shall be held no later than thirteen months after the last preceding annual meeting of the shareholders. Business transacted at the annual meeting shall include the election of directors of the Corporation.

Section 2. Special Meetings. Special meetings of the unit owners shall be held when directed by the President, the Board of Directors, or when requested in writing by the holders of not less than ten (10) percent of all the shares entitled to vote at the meeting. A meeting requested by unit owners shall be called for a date not less than fourteen (14) nor more than sixty (60) days after the request is made, unless the unit owners requesting the meeting designate a later date. The call for the meeting shall be issued by the Secretary, unless the President, Board of Directors, or unit owners requesting the meeting shall designate another person to do so.

Section 3. Place. All meetings of unit owners shall be held upon the condominium property. The exact location of all meetings shall be set forth in the notice of meeting.

Section 4. Notice. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purposes for which the meeting is called, shall be delivered not less than fourteen (14) nor more than sixty (60) days before the meeting, by certified mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting to each unit owner of record entitled to vote at such meeting. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the unit owner at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid, except that notices sent to unit owners known to be part-time residents of the Park shall keep their other residence address on file with the Park Secretary and when they are not at their Park address their notices shall be sent to their other official address. A unit owner may waive in writing his right to receive mail delivery of his notice to meetings. This written waiver must be kept on file by the Secretary of the Corporation. Notice of all unit owner meetings must be posted in a conspicuous place on the park property at least fourteen (14) days prior to all such meetings. An officer of the Corporation must provide an affidavit affirming that the notices were mailed (or hand delivered where there are written waivers of mail delivery) according to the provisions of this Article to each member at the address last furnished to the Corporation.

Section 5. Notice of Adjourned Meetings. When a meeting is adjourned to another place or time, it shall not be necessary to give any notice of the adjourned meeting if the place and time to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. If, however, after the adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in this section to each unit owner of record on the new record date entitled to vote at such meeting.

Section 6. Quorum and Voting. A quorum for unit owners meetings shall consist of persons present in person or by proxy

entitled to cast more than fifty percent (50%) of the vote of the entire membership. If a quorum is not present, the members present at the meeting, though less than a quorum, may adjourn the meeting to a future date.

If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote shall be the act of the unit owners unless otherwise provided by law.

After a quorum has been established at a unit owners' meeting, the subsequent withdrawal of unit owners, so as to reduce the number of unit owners entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

Section 9. Voting of Shares. Each unit owner entitled to vote in accordance with the terms and provisions of the Articles of Incorporation and these By-laws, shall be entitled to one (1) vote for each condominium unit owned by such unit owner. No unit owner shall be entitled to vote if he is more than 30 days delinquent in the payment of any assessments. Upon demand of any unit owner, the vote for directors shall be by ballot.

Section 10. Proxies. Every unit owner entitled to vote at a meeting of unit owners or to express consent or dissent without a meeting, or a unit owner's duly authorized attorney-in-fact, may authorize another person or persons to act for him by proxy, but no one shall be authorized to hold more than 5 proxies. Every proxy must be signed by the unit owner or his attorney-in-fact. Every proxy shall be effective only for the specific meeting for which it has been given and any lawfully adjourned meetings thereof, except that in no event will a proxy be valid for more than ninety (90) days from the date it was executed. Additionally, every proxy shall be revocable at the pleasure of the unit owner executing it.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the unit owner who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the Corporation officer responsible for maintaining the list of unit owners.

Section 11. Action by Unit Owners Without a Meeting. Any action required by law, these by-laws or the Articles of Incorporation of this Corporation to be taken at any annual or special meeting of unit owners of the Corporation, or any action which may be taken at any annual or special meeting of such unit owners, may be taken without a meeting, without prior notice and without a vote, if consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action.

ARTICLE VIII

BOOKS AND RECORDS

Section 1. Books. This Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its unit owners, directors and committees of directors upon the terms and conditions provided by law, and shall be available for inspection by unit owners, or their authorized representatives, and board members at reasonable time. The Corporation shall retain these minutes and records for a period of not less than seven (7) years.

Section 2. Accounts. The Board of Directors shall maintain a set of books of accounts for the corporation which shall show all receipts and expenditures for the corporation, the cost of which shall be considered a common expense, which shall include

the accounts and reserves set forth in the Declaration of Condominium and the following:

(a) An individual account shall be kept for each unit in the condominium which shall designate the name and address of the owner or owners, the amount of each assessment against the Unit, the dates and amounts in which the assessments become due, the amounts paid upon the account and the balance upon the assessments.

(b) A current expense fund shall be maintained which shall include all receipts and expenditures to be made within the year for which the budget is made including a reasonable allowance for contingencies and working funds, but not item "c" as described hereafter. The balance of this fund at the end of each year may be applied to reduce the assessments for the succeeding year, or may be transferred to the Capital Reserve Account provided for in item "c" hereafter.

(c) Reserves for deferred maintenance, replacement or capital expenditures shall be maintained which shall include funds for maintenance items that occur less frequently than annually, repairs or replacements required because of damage, depreciation or obsolescence, or which may be used for capital expenditures for improvements or personal property that will be a part of the common property and/or for the lease or purchase of a condominium unit which is held by the Association until leased or sold in the sole discretion of the Directors. Funds reserved for deferred maintenance and capital expenditures shall be used for the purposes for which they are reserved unless their use for other purposes is approved by a majority of the members of the Association at a duly called meeting of the Association.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January in each year.

ARTICLE X

CORPORATE SEAL

The directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, state of incorporation, year of incorporation and the words "corporate seal."

ARTICLE XI

RULES AND REGULATIONS

Every unit owner and occupant shall comply with any and all rules and regulations which from time to time may be adopted, and the provisions of the Declaration, Bylaws and Articles of Incorporation of the Association, as amended from time to time. Failure of an owner or occupant to so comply shall be grounds for action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend use of recreational facilities in the event of failure to so comply. In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an unit owner for failure of an owner, his family, guests, invitees, lessees or employees, to comply with any covenant, restriction, rule or regulation in the Declaration, Articles of Incorporation, Bylaws or Rules and Regulations, provided the following procedures are adhered to:

(a) Notices: The Association shall notify the unit owner or occupant of the infraction or infractions. Included in the notice shall be the date and time of the next Board of Directors meeting at which time the unit owner or occupant shall present reasons why penalties should not be imposed.

(b) Hearing: The non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why penalties should not be imposed. A written decision of the Board of Directors shall be submitted to the unit owner or occupant by not later than twenty-one (21) days after the Board of Directors meeting.

(c) Penalties: The Board of Directors may impose fines not to exceed Fifty Dollars (\$50.00) per violation or non-compliance.

(d) Payment of Penalties: Fines shall be paid not later than thirty (30) days after notice of the imposition or assessment of the penalties.

(e) Application of Penalties: All monies received from fines shall be allocated as directed by the Board of Directors.

(f) Non-Exclusive Remedy: These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending unit owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such owner or occupant.

ARTICLE XII

AMENDMENT

These By-laws may be repealed or amended, and new by-laws adopted by a two-thirds (2/3) vote of the shareholders at an annual meeting or a special meeting called for that purpose. Text of the proposed change shall be posted at the clubhouse and/or the office door of the Corporation at least four weeks prior to the called meeting. No by-law shall be revised or amended by reference to the title or the number alone.

Proposals to amend existing by-laws shall contain the full text of the by-laws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined thru with hyphens. However, if the proposed change is so extensive that the above procedure would hinder understanding of the proposal, it is not necessary to use the above procedure. Instead, the following notation must appear immediately preceding the proposed:

"Substantial rewording of by-law. See by-law (insert appropriate article and section number) for present text."

ARTICLE XIII

BUDGET

Section 1. Budget. An annual budget of expenses shall be prepared by the Board of Directors, copies sent to the members according to these by-laws and the budget presented to the shareholders at the next unit owner's meeting for approval by a vote of the shareholders. The budget shall show the amounts budgeted by accounts and expense classifications, including but not limited to reserve accounts for capital expenditures, deferred maintenance, roof replacement, building painting, pavement resurfacing, administration of the condominium, management fees, maintenance, taxes, insurance, security provisions, employee salaries, recreation other expenses, operating capital, fees payable to the division.

Section 2. Adoption. The budget shall be adopted at a meeting of the Directors of the Corporation. Copies of the budget and proposed assessments shall be mailed or furnished to each unit owner not less than thirty (30) days prior to the meeting at which the budget will be considered. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each unit owner.

Section 3. Assessments. The assessments shall be collected in the manner provided in the Declaration of Condominium. All assessments paid by unit owners for the maintenance and operation of the condominium shall be utilized by the Association for the purposes set forth in the budget. Any excess monies received from said assessments paid by any unit owner shall be held by the Association for the use and benefit of the unit owners. Any surplus held by the Association after the payment of expenses for maintaining and operating the common property and carrying out all of the Association's other obligations, shall be considered as general surplus and held for the benefit of all unit owners.

Section 4. Special Assessments. If the budget adopted by the Board requires assessment against the unit owners in any fiscal or calendar year exceeding 115 percent (115%) of such assessments for the preceding year, a special meeting of the unit owners shall be held upon written application of 10% of the unit owners. Not less than 10 days' written notice shall be given to each unit owner, but the meeting shall be held within 30 days of delivery of such application to the Board. At the special meeting, unit owners may consider and enact a revision of the budget or recall any or all members of the Board and elect their successors.

Section 5. Late Fees. The board may establish and enforce the payment of late fees for assessments not paid within five (5) calendar days from their due date.

Section 6. The Board of Directors may enforce the payment of assessments, fees properly imposed by the Board, and interest that has accrued on such unpaid assessments and fees by any method provided by law, including but not limited to the filing of a claim of lien, foreclosure of the owner's interest in the association, and a civil suit for damages. The choice of any remedy by the Directors does not constitute an election or the waiver of any remedy. Any lien established by the Corporation shall also secure reasonable attorney's fees incurred by the Corporation incident to the collection of the rents and assessments for enforcement of such lien. In any foreclosure, the unit owner shall pay a reasonable rent for the cooperative parcel.

If any assessment is not paid within fifteen (15) days after the delinquency date, which shall be set by the Board of Directors, the assessment shall bear interest from the date due at the legal rate and the association may at any time after thirty (30) days from the due date bring an action to foreclose the lien against the unit owner in a like manner as a foreclosure of a mortgage on real property, or a suit on the personal obligation against the owner, and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action including reasonable attorney's fee, and in the event that a judgment is obtained, such judgment shall include interest on the assessment as provided and a reasonable attorney's fee to be fixed by the court, together with costs of the action.

Section 7. Subordination to lien of mortgages. The lien of the assessments for which provision is herein made, as well as in any other article of these by-laws, shall be subordinate to the lien of any first mortgage to a federal or state chartered bank, mortgage company, life insurance company, federal or state savings and loan association or real estate investment trust which is perfected by law prior to the enforcement of a claim of lien for any such unpaid assessments by the association. Such subordination shall apply only to the assessments which have

become due and payable prior to a sale or transfer of such unit by deed in lieu of foreclosure of such unit or pursuant to a decree of foreclosure, and in any other proceeding in lieu of foreclosure of such mortgage, provided however, any such unit shall be liable, following such sale, for a prorata share of any unpaid assessments against such unit accruing prior to such sale, in common with all other unit owners. No sale or transfer shall relieve any unit owner from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The written opinion of the association that the lien is subordinate to a mortgage shall be dispositive of any question of subordination.

Section 8. Financial Report. Within 60 days following the end of the fiscal year the Board shall mail or furnish by personal delivery to each unit owner a complete financial report of actual receipts and expenditures for the previous 12 months. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications including, but not limited to: costs of security, professional and management fees and expenses, taxes, costs for recreational facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administrative and salary expenses, general reserves, maintenance reserves, and depreciation reserves.

ARTICLE XIV

RECREATION PROVISIONS

The Board of Directors shall establish such recreation as voted upon by the shareholders. If general funds permit, the Board of Directors may allocate funds for recreation in the annual budget.