

prepare with the assistance of an accountant, if need be, an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year based upon the then current schedule of monthly assessments, and taking into account the general condition of the Condominium. Each such budget, together with a statement from the Agent outlining a plan of operation and justifying the estimates made in every important particular, shall be submitted to the Board in final draft at least 30 days prior to the commencement of the annual period for which it has been made, and following its adoption by the Board, copies of it shall be made available, upon request. The budget shall serve as a supporting document for the schedule of assessments proposed for the new fiscal year. It shall also constitute a major control under which the Agent shall operate, and there shall be no substantial variances therefrom, except such as may be sanctioned by the Board. By this is meant that no expenses may be incurred or commitments made by the Agent in connection with the maintenance and operation of the Condominium in excess of the amounts allocated to the various classifications of expense in the approved budget without the prior consent of the Board, except that, if necessary because of an emergency or lack of sufficient time to obtain such prior consent, an overrun may be experience, provided it is brought promptly to the attention of the Board in writing.

(j) It shall be the duty of the Agent at all times during the term of this Agreement to operate and maintain the Condominium according to the highest standards achievable consistent with the overall plan of the Board and the interests of the consenting party. The Agent shall see that all Members are informed with respect to such rules, regulations and notices as may be promulgated by the Board from time to time. The Agent is expected to perform such other acts and deeds as are reasonable, necessary and proper in the discharge of its duties under this Agreement.

THIRD. Everything done by the Agent under the provisions of Article SECOND shall be done as Agent of the Board, and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the Board.