

1. INFORMATION: The Owners Association shall be and is required to make available to unit estate owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

2. FINANCIAL STATEMENT: Any holder of a first mortgage shall be or is entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

3. CONTRACTS: The Owners Association, prior to passage of control, shall not be bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days' notice to the other party thereto.

4. TRANSFER OF CONTROL: The Declarant shall be and is required to transfer control of the Association to the unit estate owners, no later than the earlier of the following events:

a. One Hundred Twenty (120) days after seventy (70%) percent of the unit estates in the project or the first legal phase of the project have been conveyed to unit estate purchasers; or

b. Five (5) years following conveyance of the first unit.

The term "control" means the right of the Declarant to control the Association, the Association board, the project, or the unit owners in any manner except through votes allocated to unit estates it owns on the same basis as votes pertaining to sold unit estates.

5. RESERVES AND WORKING CAPITAL: The Association shall be and is required to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas and those limited Common Areas