

8.4 The Board of Directors of Association, in establishing said Annual Budget for operation, management and maintenance of the Project, shall include therein a sum to be collected and maintained as a reserve fund for replacement of General Common Elements and Limited Common Elements, which reserve fund shall be for the purpose of enabling Association to replace structural elements and mechanical equipment constituting a part of General Common Elements and Limited Common Elements, as well as the replacement of personal property which may constitute a portion of the General Common Elements and Limited Common Elements held for the joint use and benefit of all of the co-owners of all Units. The amount to be allocated to such Reserve Fund for Replacements shall be established by said Board of Directors so as to accrue and maintain at all times a sum reasonably necessary to anticipate the need for replacement of General Common Elements and Limited Common Elements. The amount collected and allocated to the Reserve Fund for Replacements from time to time shall be maintained in a separate account by Association, although nothing herein contained shall limit Association from applying any monies in such Reserve Fund for Replacements to meet other needs or requirements of Association in operation or managing the Project in the event of emergencies, or in the event that the sums collected from the owners of Units are insufficient to meet the then fiscal financial requirements of Association, but it shall not be a requirement that these monies be used for such latter purposes, as a separate assessment may be levied therefor if deemed to be preferable by the Board of Directors of Association in the sole discretion of said Board of Directors.

8.5 The Board of Directors of Association, in establishing said Annual Budget for operation, management and maintenance of the Project, shall include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by co-owners of Units, as a result of emergencies or for other reason placing financial stress upon the corporation. The annual amount allocated to such operating reserve and collected therefor shall not exceed 10% of the current annual assessment levied against the co-owners of all Units. Upon accrual in said operating reserve of a sum equal to 50% of the current annual assessment, no further payments shall be collected from the co-owners of Units as a contribution to such operating reserve, unless such operating reserve shall be reduced below said 50% level, in which event, contributions to such operating reserve shall be included in the annual assessment so as to restore said operating reserve to an amount which will equal 50% of the current annual amount of said assessment.

8.6 All monies collected by Association shall be treated as the separate property of said Association, and such monies may be applied by Association to the payment of any expense of operating and managing Jo Ann Condominiums, Horizontal Property Regime, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Master Deed and the Articles of Incorporation and By-Laws of said Association, and as monies for any assessment are paid unto Association by any co-owner of a Unit, the same may be commingled with monies paid to said Association by the other co-owners of Units. Although all funds and common surplus, including other assets of Association and any increments thereto or profits derived therefrom, or from the leasing or use of General Common Elements and Limited Common Elements shall be held for the benefit of the members of Association, no member of said Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit. When the co-owner of a Unit shall cease to be a member of Association by reason of his divestment of ownership of such Unit, by whatever means, Association shall not be required to account to such co-owner for any share of the funds or assets of Association, or which may have been paid to Association by such owner, as all monies which any co-owner has paid to Association shall be and constitute an asset of said