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INTRODUCTION

Following is the Jupiter Bay Condominium Association’s (the Association’s) Financial Policy. This policy is to be followed to ensure conformance to Florida’s statutes and the Association’s legal documents. In addition, the policy will help ensure consistency of financial practices and records across board and office staff member changes.

1. Condominium Association

   - The Jupiter Bay Condominium Association is organized as a not-for-profit corporation under Florida Statute Title XXXVI, Chapter 617.
   - Jupiter Bay is a multi-condominium association, consisting of a master association and eight individual associations – East, West A, West B, West C, West D, West E, West F, and Plantation Villas.
   - The Association contains 359 residential units, two swimming pools, a spa, a lake, and two tennis courts located on approximately 62 acres in Jupiter, FL. The Association leases, to the Jupiter Bay Racquet Club, Inc., another seven tennis courts, a pro shop, and a restaurant.
   - The Association’s 359 units are divided among the eight individual associations as follows:
     - 135 Units – East
     - 32 Units – West A
     - 32 Units – West B
     - 32 Units – West C
     - 32 Units – West D
     - 32 Units – West E
     - 32 Units – West F
     - 32 Units – Villas
   - The Association began its operation on February 1st, 1982.

2. Responsibilities

   - The Association has a single Board of Directors who is responsible for all nine associations. According to Paragraph 5 of the Jupiter Bay Bylaws, the Board of Directors has the following financial responsibilities:
     - Determining the expenses required for the operation of the Condominium and the Association.
     - Collecting the Assessments for Common Expenses from Unit Owners.
     - Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
     - Purchasing, leasing or otherwise acquiring Units or other property in the name of the Association, or its designee.
     - Purchasing Units at foreclosure or other judicial sales, in the name of the Association, or its designee.
- Selling, leasing, mortgaging, or otherwise dealing with Units acquired, and subleasing Units leased, by the Association, or its designee.

- Enforcing obligations of the Unit Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Condominium.

- Levying fines against appropriate Unit Owners for violations of the Rules and Regulations established by the Association to govern the conduct of such Unit Owners.

- Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements or the acquisition of property, and granting mortgages on and/or security interests in Association-owned property; provided, however, that the consent of the owners of at least two-thirds (2/3) of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of Seventy-Five Thousand Dollars ($75,000.00).

• Per Paragraph 6.5 of Jupiter Bay’s Bylaws, “The Treasurer shall
  - Have custody of all property of the Association, including funds, securities and evidences of indebtedness.
  - Keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times.
  - Submit a Treasurer's Report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of Treasurer and as may be required by the Directors or the President.”

• Per Paragraph 9.12 of Jupiter Bay’s Bylaws, “Fidelity Bonds will be required by the Board of Directors for all persons handling or responsible for Association funds in such amounts as shall be determined by a majority of the Board. The premiums on such bonds shall be paid by the Association as a Common Expense.”

3. Basis of Accounting

• As a not-for-profit corporation, the Association uses Fund Accounting, which emphasizes how money is spent rather than profitability. Fund Accounting requires that operating funds and replacement funds (reserves) be classified separately for accounting and reporting purposes.
• Accrual Accounting is used, rather than Cash Basis, for tracking and recording income and expenses. This means that income exists when owner invoices are generated, and expenses exist when vendor bills are entered into the accounting software.

• Operating accounts are used for day-to-day operation of the association, whereas master and individual condominium reserve accounts are required for capital expenditures and deferred maintenance.

• The Association maintains nine sets of accounting records, one set for the master association (known as Class B income & expenses in the Association’s Bylaws) and separate records for each of the eight individual associations (Class A income & expenses).

• Being a Multicondominium Association Jupiter Bay's operating account records must accurately track income and expenses individually for each association. To assure that owners in each individual association are charged correct maintenance fees, the financial records must:
  1) Maintain separate Operating fund balances for each association, or
  2) Determine, at the end of each year, whether each individual association has an Operating Fund surplus or shortage. Then, credit or charge the association this surplus or shortage in next year’s budget. For example, if an association has 32 units and a $3,200 shortage in a particular year, each owner would pay an additional $100 annual ($25 quarterly) maintenance fee the next year.

4. Commingling of Funds

• Commingling is important in the day-to-day management of the Association’s finances because it allows the Association to fund Reserve Accounts and spend Reserve money without having to constantly move cash into and out of the Reserve Investment Account. It also allows a multicondominium association to use a single checking account containing a mixture of funds belonging to the various individual associations.

• FL Statute §718.111(14) regulates commingling as follows:
  - “All funds collected by an association shall be maintained separately in the association’s name.
  - For investment purposes only, reserve funds may be commingled with operating funds of the association.
  - Commingled operating and reserve funds shall be accounted for separately, and a commingled account shall not, at any time, be less than the amount identified as reserve funds.
A multicondominium association is not prohibited from commingling the operating funds of separate condominiums, the reserve funds of separate condominiums, or all funds for investment purposes only.”

- Per FL Admin Code 61B-22.005 “Associations that collect operating and reserve assessments as a single payment shall not be considered to have commingled the funds provided the reserve portion of the payment is transferred to a separate reserve account, or accounts, within 30 calendar days from the date such funds were deposited.”

5. Accounting Records Management

- The Association’s financial records are maintained within the Peachtree (Sage 50) accounting software. Electronic copies (backups) of the records are maintained both onsite and offsite.

- The accounting system and associated data are password protected, and only the Association’s Bookkeeper, Property Manager and Treasurer have update access.

- The Association’s Chart of Accounts will utilize the same master and sub-account structure for each condominium managed. To facilitate year-to-year and budget-to-budget comparisons, the account structure will not vary substantially from year to year.

6. Operating Funds

- Operating Funds are contained in a separate bank checking account. All income from quarterly maintenance fee payments and other sources (excluding reserve account interest) is deposited daily into the Operating Account, and all expenses are paid from the Operating Account.

- The Association’s bank accounts are reconciled monthly with the accounting system’s book value of the Operating Funds.

- Reserve Funds flow into the Operating Account (from maintenance fee payments) and out of the Operating Account (to fund the reserves).

- All Board Members have signature authority on all bank and investment accounts (BB&T, etc.).

- Only the Treasurer or Bookkeeper (with the Treasurer’s approval) is authorized to withdraw funds from bank accounts unless he/she grants another Board Member approval for a one-time ad hoc withdrawal. Any withdrawal will be reviewed in advance with the Association President.
7. Reserve Funds

- Reserve Funds are contained in separate interest-bearing investment account(s). All reserve income from quarterly maintenance fee payments is recorded against the appropriate reserve account and deposited, together with Operating Funds, into the Association’s bank checking account.

- The Association’s reserve accounts are reconciled monthly with the accounting system’s book value of the Reserve Funds.

- Reserves must be funded monthly or quarterly in synchronization with the maintenance fee schedule according to contribution values specified in the annual approved Replacement Schedule.

- To eliminate investment risk, reserve funds will be invested only in money market (cash) accounts and certificates of deposit (CD’s) that are FDIC insured. Generally, two to five year CD’s will be purchased, and they will be laddered to assure a fairly even distribution of renewal dates.

- Reserve funds will be withdrawn as necessary to meet Board authorized replacement project expenses. The withdrawals will be from cash balances so as not to require premature cashing of CDs.

- Reserve income and expenditures are reviewed monthly to determine whether money needs to be deposited or withdrawn to/from the reserve investment account.

- Per FL Statute §718.112(2)(f)3 “Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the Association.”

- Interest from reserve account investments will be proportionally allocated to each individual building based on number of units, or preferably based on the individual building account balances.

8. Operating Expenses

- Operating Expenses are segregated between Common Expenses and Building Expenses. Common Expenses (Class B expenses) are the costs for operating the Master Association and providing/maintaining facilities/services.
shared by all Association members. Building Expenses (Class A expenses) are the costs unique to each individual association/building.

- The proper recording of expenses requires a very specific delineation of the following expense categories: Condominium Unit, Limited Common Element, individual Association (Building) Common Element, and Community Shared Common Element. These categories are defined as follows:

1) **Condominium Unit Expenses** – Expenses for the maintenance and repair of that portion of the condominium property subject to private exclusive ownership and use by the condominium owner of record. Section 6.1(b)(1) of the Association’s Declaration defines those portions of a unit to be maintained, repaired and replaced by the unit owner at his/her expense as including, but not limited to the following items: “service equipment, such as dishwasher, washer and dryer, hot water heater, refrigerator, air conditioning and heating, oven and stove, disposal and trash compactor, whether or not these items are built-in equipment; interior fixtures, such as electrical and plumbing fixtures; floor coverings, except for floor slab; and inside paint and other inside wall finishes.”

This would generally include the unit’s electrical circuit breaker panel and wiring inside the unit, the unit’s master water shut-off valve and water and sewer lines inside the unit, high-pressure fire sprinkler lines inside the unit, cable TV lines inside the unit, and the outside air conditioner compressor and lines running between the compressor and air handler. It also includes built-in cabinets and vanities, windows, and the interior walls that separate the unit’s rooms.

Condominium Unit Expenses are solely the responsibility of the condominium owner, and any Association expenses incurred addressing unit repairs shall be charged back to the unit owner.

2) **Limited Common Element Expenses** – Expenses for that portion of condominium property subject to association maintenance and repair but reserved for the exclusive use of the unit owner. According to paragraph 3.9 of our Declaration, “Limited Common Elements include the balcony area adjacent to and accessible by each unit.” It also includes any electric, water, fire sprinkler or sewer lines outside a unit that exclusively service a specific unit. For expense management purposes, these expenses are included within the Individual Association (Building) Common Element Expense category (defined below).

3) **Individual Association (Building) Common Element Expenses** – These expenses, known as Class A expenses in the Association’s Bylaws, are expenses for the maintenance, repair and operation of common elements
that are part of a building or attached to a building and are for exclusive use by the residents of the building. In other words, they are expenses for those parts of a building that are neither limited common elements nor owned by a unit owner.

This includes the roof, exterior doors, catwalks, stairways, attic, elevators, common rooms (storage, utility & trash), air conditioner compressor areas, recycling areas, and attached buildings or structures housing mechanical or electrical (e.g. master circuit breakers or generators) equipment.

It also includes:

- All portions of a unit, except interior surfaces, contributing to the support of the unit building including but not be limited to the outside wall of the unit building and all fixtures on its exterior, boundary walls of units, floor and ceiling slabs exclusive of finished surfaces and plaster, load-bearing columns and load-bearing walls.

- All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portion of a unit maintained by the Association. This includes electrical wiring up to the unit’s circuit breaker panel, water pipes up to the individual unit shut-off valve, cable TV lines up to the wall outlets in the unit, and sewer and fire sprinkler lines up to the point where they enter the unit.

- All such facilities contained within a unit that service part or parts of the condominium other than the unit within which contained.

Building Common Expenses also includes expenses for building-specific insurance (wind and property), trash removal/recycle, license/fees, pest control, and utilities (cable TV, electric, water and sewage). Each Jupiter Bay owner is charged for 1/32nd (in the East it is 1/135th) of their Building's Common Element expenses.

Class A expenses are identified in Paragraph 9.2 of the Association’s bylaws as follows (note that this list is shown for reference only, as some expenses have since been redefined or reclassified):

- Casualty Insurance upon the Condominium
- Electricity (Building’s common area)
- Fuel (Generator fuel – East only)
- Telephone (In building elevators)
- Water
- Sewage
- Exterminator
- Elevator
- Maintenance & Repair (Building)
- Cable TV
4) **Community Shared Common Element Expenses** – These expenses, known as Class B expenses in the Association's Bylaws, are for the maintenance, repair, and operation of all other parts of the condominium complex that are shared equally by all owners within the community. Community Common Elements includes all: land within the condominium property, whether or not contiguous, recreational facilities (pools, tennis courts, spas, etc.), common-use buildings (maintenance building, pump house, pool cabanas and association office), parking lots, roadways, lake and lake bridge, waterfall, sidewalks, and common-area post/pole lighting. All landscaping including lawns, trees, and shrubs is considered part of the community's common elements.

Community Common Element Expenses also cover costs associated with the management and administration of the Association including master insurance, staff compensation, office supplies, accounting, legal fees, etc. Each Jupiter Bay owner is charged for 1/359th of the Community's Shared Common Element expenses. See list of typical Class B expenses below.

**Class B expenses** are identified in Paragraph 9.2 of the Association’s bylaws as follows (note that this list is shown for reference only, as some expenses have since been redefined or reclassified):

- Maintenance of Recreation Facilities
- Landscaping
- Office Supplies & Postage
- Real Property Taxes for Recreational Areas
- Salaries for Association Employees
- Social Security for Association Employees
- FL State Unemployment for Association Employees
- Federal Employment for Association Employees
- Legal Fees
- Accounting Fees
- Reserves
- Other

Most expenses are classified as either Class A or Class B but not both. Exceptions include property and wind insurance.

9. Reserve Schedule

- The Association maintains a Component Inventory that shows, for both the master condominium common areas and individual (building) condominiums, the replacement cost of major items, their estimated useful life, years
removing until replacement, current reserve account balance, and current year’s required contribution.

- Reserve Accounts are used for capital expenditures and deferred maintenance. Per FL Statute §718.112(2)(f)2, “These accounts shall include, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds $10,000.”

- Jupiter Bay will maintain the following Community Common-Area reserve accounts: Restoration (Bridge, Lake, Tennis Courts and Waterfall), East & West Pools, Irrigation, Paving & Sealcoating, and Restoration General (Pool Cabanas, Maintenance Building & Pump House).

- Jupiter Bay will maintain the following Building-Related reserve accounts: Building Restoration, Elevators, Building Painting, Roof Replacement, and Life Safety (Fire Sprinkler Systems, Generator & Booster Pumps).

- As allowed under FL Administrative Code 61B-22.005(1), similar or related assets are grouped together within the common-area and building-related reserve accounts identified above. For example, East and West pools.

- A monthly Reserve Account Report will be produced showing, for each reserve component within each category (Common, East, West A, etc.), beginning balance, YTD contributions, YTD expenditures and ending balance. See attached example.

10. Monthly Financial Reporting

- Monthly Financial Reports are produced by the fifteenth day after each month end, distributed to Board Members and filed with the Association’s official records.

- The Monthly Financial Report generally contains the following sections:
  1) Treasurer’s Summary Report
  2) Checking Account Register
  3) Balance Sheet
  4) Reserve Account Schedule
  5) Budget vs Actual – Current Month
  6) Budget vs Actual – YTD
  7) P&L By Individual Association
  8) Adjusting Journal Entries
  9) A/P Aging Summary
  10) Past Due Report
• Per FL Statute §718.111(12)(b), Copies of the Association’s Financial Reports will be made available to a unit owner within 5 working days after receipt of a written request. The records will available for inspection or copying at the Association management office, or the Association may offer the option of making the records available to a unit owner electronically via the Internet or email or by allowing the records to be viewed in electronic format on a computer screen and printed upon request.


• Jupiter Bay will contract each year for an independent annual review of its prior fiscal year financial statements and controls by a Certified Public Accountant. The review will culminate in an Auditor’s Report containing Audited Financial Statements (as per the following FL statute).

• Per FL Statute §718.111(13)(a), “An association that meets the criteria of this paragraph shall prepare a complete set of [annual] financial statements in accordance with generally accepted accounting principles. The financial statements must be based upon the association’s total annual revenues. An association with total annual revenues of $400,000 or more shall prepare audited financial statements.”

• Per FL Statute §718.111(13)(a)3, the Audited Financial Statements must include “A report of cash receipts and disbursements that discloses the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, but not limited to, the following, as applicable: costs for security, professional and management fees and expenses, taxes, costs for recreation facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administration and salary expenses, and reserves accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the association maintains reserves.”

• Per FL Statute §718.111(13), “Within 21 days after the final financial report is completed by the association or received from the third party, but not later than 120 days after the end of the fiscal year or other date as provided in the bylaws, the association shall:
  - Mail or hand deliver to each unit owner, at the address last furnished to the association by the unit owner, a copy of the financial report, or
  - Mail or hand deliver a notice that a copy of the financial report will be mailed or hand delivered to the unit owner, without charge, upon receipt of a written request from the unit owner.”
• Both the Audited Report and 120 day requirement are exceptions to the JB Association’s Bylaws that say “Within sixty (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 twelve (12) months.” The statute requiring an Audited Report override the Association Bylaws in this instance.

12. Member Assessments

• Member assessments (maintenance fees) are determined individually for each association/building according to the annual budget for the building. Factors used in determining the annual assessment include: estimated building operating expense, estimated building income, calculated building reserve payments, estimated master association expense, estimated master association income, and calculated master association reserve payments.

• Per Paragraph 9.5 of Jupiter Bay’s Bylaws, “Assessments against the Unit Owners for their shares of the items of the Budget shall be made for the calendar year annually in advance on or before December 31st preceding the year for which the assessments are made. Such assessments shall be payable in advance in four (4) equal installments on the first day of January, April, July and October of the calendar year for which the assessments are made.”

• Also, per Paragraph 9.5, “If annual assessments are not made as required, assessments shall be presumed to have been made in the amount of the last prior assessments and installments of such assessments shall be due upon each installment payment due until changed by amended assessments."

• If invoices or statements are used for payment of quarterly dues, they will be sent to each owner approximately 21 days prior to the payment due date. Alternatively, if coupon books are used, they will be issued to each owner at least 21 days prior to the start of each calendar year – 4 coupons and mailing labels will be sent, one for each quarterly assessment.

• Beginning in 2013, quarterly assessments can be paid in one of five ways:
  1) With a check payable to “Jupiter Bay Condominium Association, Inc.” sent, together with a coupon, using the mailing label provided.
  2) With a check payable to “Jupiter Bay Condominium Association, Inc.”, together with a coupon, at any BB&T Branch location.
  3) By electronic funds transfer from a bank account via the Automated Clearinghouse (ACH) system which can be set up through BB&T’s website (BBT.com). Once this set up is completed, the owner’s bank


account will be debited quarterly on the 3rd business day for each assessment due until cancelled.

4) Online through BB&T’s website using a Credit Card or eCheck. This is for a one-time payment, and additional fees apply when paying by credit card.

5) With a check payable to “Jupiter Bay Condominium Association, Inc.” containing the Unit Number in the check’s memo field, at the Association Management Office.

- Quarterly assessments are due on the first day of each quarter, and any assessments not paid by the first day of the quarter are considered late. Interest at 15% per annum is charged on payments received after the 1st. See paragraph #14 – Owner Delinquencies.

- Any miscellaneous income (late fees, interest, transfer fees, etc.) is applied to the specific Condominium (building) and reduces budgeted quarterly assessments for the applicable building.

- “Common surplus” means the amount of all receipts or revenues, including assessments, rents, or profits, collected by a condominium association which exceeds common expenses. Per FL Statute §718.115(4)(b) “In a multicondominium association, the total common surplus owned by a unit owner consists of that owner’s share of the common surplus of the association plus that owner’s share of the common surplus of the condominium in which the owner’s unit is located, in the proportion or percentage set forth in the declaration.” Any surplus existing at the end of a fiscal year will carry over to the next year.

13. Special Assessments

- Per FL Statute §718.116(10), “The specific purpose or purposes of any special assessment, approved in accordance with the condominium documents shall be set forth in a written notice of such assessment sent or delivered to each unit owner. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the Board, either be returned to the unit owners or applied as a credit toward future assessments.”

- Per Paragraph 9.5 of Jupiter Bay’s Bylaws, “In the event the annual Assessments prove to be insufficient, the Class A Budget and the Class B Budget and assessments may be amended at any time by the Board of Administration if the account of the amended Budgets do not exceed the
limitations for that year. Any account that does exceed such limitations shall be subject to the approval of the Membership of the Association as previously required by these By-Laws. The unpaid assessments for the remaining portion of the calendar year for which the amended assessments are made shall be paid in equal installments divided among the number of assessments remaining due within the fiscal year."

- Per Paragraph 9.10 of Jupiter Bay’s Bylaws, “Assessments for Common Expenses for emergencies that cannot be paid from the annual Assessments for Common Expenses shall be due only after ten (10) days' notice is given to the Unit Owners concerned and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments.”

- Per FL Statute §718.112(2)(c)1, “Notice of any meeting in which regular or special assessments against unit owners are to be considered for any reason must specifically state that assessments will be considered and provide the nature, estimated cost, and description of the purposes for such assessments.”

14. Owner Delinquencies

- Owners who are more than 10 days late in paying their quarterly maintenance assessments will be charged a $50.00 late fee and interest at 15% per annum starting with the second day of the quarter. Any owner who is late in the payment of any special assessment will also be charged a late fee ($25.00 if under $1,000, otherwise $50.00).

- Per FL Statute §118.116(3), “Any payment received by an association must be applied first to any interest accrued by the association, then to any administrative late fee, then to any costs and reasonable attorney’s fees incurred in collection, and then to the delinquent assessment. The foregoing is applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment."

- On approximately the 15th day of the quarter, Jupiter Bay’s procedure is to send a Late Notice to each owner who was charged a $50.00 late fee. This letter tells the owner the full amount that is due, including late fee(s) and interest, and it informs them that “full payment must be received by the Association Office within the next 30 days or their account may be referred to an attorney”.

- When an account becomes approximately 45 days delinquent, the Treasurer, or Association staff member, will make collection calls, warning the owner that their account is about ready to be turned over to the attorney and as a
result, additional attorney fees and costs will accrue. Unless a firm payoff commitment is received from the delinquent owner, the account will be turned over to the attorney for collection on the 45th day of delinquency. The turnover process consists of the bookkeeper emailing the attorney, providing an account ledger showing all delinquent monies owed – maintenance fees, late fees, interest, and any other charges/fees. At this time the Association and Bookkeeper will cease direct communication with the owner regarding their account and monies owed. Future conversations will be between the attorney and owner.

- After an account is over 45 days delinquent, the attorney will send, via certified and regular mail return receipt requested, a Stage 1 (Intent to Lien) Demand Letter to the owner, demanding payment of all delinquent amounts plus attorney fees and costs. The total sum due is to be paid to the attorney’s office. The Demand Letter gives the owner 30 days to either pay or dispute the amount due. Otherwise, the attorney will file and record a Claim of Lien.

- At 90 days of delinquency, if payment is still not received, the attorney will file a claim of lien and send a Stage 2 (Lien Filed) Demand Letter to the delinquent owner. To assure that all monies due the Association are included and to account for any partial payments made directly to the Association, the attorney will request an updated ledger from the Association’s Bookkeeper. The Stage 2 letter shows all monies due the Association (based on the updated ledger) and all attorney fees and costs to date. It notifies the owner that a Claim of Lien is being filed against their condominium. See #14 (Liens & Foreclosures) below.

- Per FL Statute §718.303(4), “If a unit owner is more than 90 days delinquent in paying a monetary obligation due to the association, the association may suspend the right of the unit owner or the unit’s occupant, licensee, or invitee to use common elements, common facilities, or any other association property until the monetary obligation is paid in full.” Per FL Statute §718.303(5), an association may also suspend the voting rights of the unit or member.

- Per FL Statute §718.112(2)(d)2, “An owner who is delinquent in the payment of any fee, fine, special or regular assessment is not eligible to be a candidate for the Board.”

- Per FL Statute §718.112(2)(n), “A director or officer more than 90 days delinquent in the payment of any monetary obligation due the association shall be deemed to have abandoned the office, creating a vacancy in the office to be filled according to law.”
• Per FL Statute §718.116(11)(a), “If the unit is occupied by a tenant and the unit owner is delinquent in paying any monetary obligation due to the association, the association may make a written demand that the tenant pay to the association the subsequent rental payments and continue to make such payments until all monetary obligations of the unit owner related to the unit have been paid in full to the association. The tenant must pay the monetary obligations to the association until the association releases the tenant or the tenant discontinues tenancy in the unit.”

15. Liens & Foreclosures

• Per FL Statute §718.116(5)(b) “To be valid, a claim of lien must state the description of the condominium parcel, the name of the record owner, the name and address of the association, the amount due, and the due dates. It must be executed and acknowledged by an officer or authorized agent of the association. The lien is not effective 1 year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1-year period is automatically extended for any length of time during which the association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel. The claim of lien secures all unpaid assessments that are due and that may accrue after the claim of lien is recorded and through the entry of a final judgment, as well as interest and all reasonable costs and attorney’s fees incurred by the association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien.”

• Per FL Statute §718.112(2)(g), “The Association has the right to accelerate assessments of an owner delinquent in payment of common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.”

• After filing a lien and sending the delinquent owner a Stage 2 Demand Letter, the Attorney will seek direction from the Association’s Treasurer or President as to whether to begin foreclosure proceedings on the condominium unit that is in arrears. If the Association forecloses on the unit and an auction is held, the Association will bid on the title for the amount owed.

• Per FL Statute §718.116(1)(b)2, “An association, or its successor or assignee, that acquires title to a unit through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney’s fees and costs that came due before the association’s acquisition of title.”
• Per FL Statute §718.116(1)(a), “A unit owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments which come due while he or she is the unit owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.”

• Per FL Statute §718.116(1)(c) “The person acquiring title [through foreclosure of a lien] shall pay the amount owed to the association within 30 days after transfer of title. Failure to pay the full amount when due shall entitle the association to record a claim of lien against the parcel and proceed in the same manner as provided in this section for the collection of unpaid assessments.”

• Per FL Statute §718.116(1)(b)1, “The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee’s acquisition of title is limited to the lesser of:
  a) The unit’s unpaid common expenses and regular periodic assessments which accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or
  b) One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action.”

• Per FL Statute §718.115(1)(g), “If any unpaid share of common expenses or assessments is extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure thereof, the unpaid share of common expenses or assessments are common expenses collectible from all the unit owners in the condominium in which the unit is located.” Likewise, any money that the association spends for acquiring title to a foreclosed unit and any rent received will be applied to the individual condominium/building in which the unit is located.

16. Transfer Fees

• Per FL Statute §718.112(2)(i), “No charge shall be made by the association or any body thereof in connection with the sale, mortgage, lease, sublease, or other transfer of a unit unless the association is required to approve such transfer and a fee for such approval is provided for in the declaration, articles,
or bylaws. Any such fee may be preset, but in no event may such fee exceed $100 per applicant other than husband/wife or parent/dependent child, which are considered one applicant. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, no charge shall be made.” Only the Declaration for Building “C” West allows a transfer fee.

- For Building “C” West, the Association will collect a transfer fee, which will be an amount determined by the Board from time to time, in accordance with applicable law. A $100.00 transfer fee is required for the sale of a unit, and a non-refundable processing fee of $75.00 is required for the lease of a unit. All tenants, including returning tenants unless they are occupying pursuant to a renewal right in a previously approved lease, are required to file a rental application form and pay the $75.00 processing fee.

- For Building “C” West, unless Guests of Owner are in residence with the owner, or are immediate family members of the owner, they are required to pay a $25.00 processing fee.

17. Insurance

- Per FL Statute §718.111(11)(a), “Adequate property insurance, regardless of any requirement in the declaration of condominium for coverage by the association for full insurable value, replacement cost, or similar coverage, must be based on the replacement cost of the property to be insured as determined by an independent insurance appraisal or update of a prior appraisal. The replacement cost must be determined at least once every 36 months.”

- Jupiter Bay operates as a single condominium for insurance purposes as per FL Statute 718.111(11)(g)3, which says “A multicondominium association may elect, by a majority vote of the collective members of the condominiums operated by the association, to operate the condominiums as a single condominium for purposes of insurance matters, including, but not limited to, the purchase of the property insurance required by this section and the apportionment of deductibles and damages in excess of coverage. The election to aggregate the treatment of insurance premiums, deductibles, and excess damages constitutes an amendment to the declaration of all condominiums operated by the association, and the costs of insurance must be stated in the association budget.”

- Per FL Statute §718.111(11)(c), “Policies may include deductibles as determined by the Board.

1) The deductibles must be consistent with industry standards and prevailing practice for communities of similar size and age, and having similar
construction and facilities in the locale where the condominium property is situated.

2) The deductibles may be based upon available funds, including reserve accounts, or predetermined assessment authority at the time the insurance is obtained.

3) The Board shall establish the amount of deductibles based upon the level of available funds and predetermined assessment authority at a meeting of the Board."

- Per FL Statute §718.111(11)(f), “Every property insurance policy for the purpose of protecting the condominium must provide primary coverage for:
  1) All portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.
  2) All alterations or additions made to the condominium property or association property.
  3) The coverage must exclude all personal property within the unit or limited common elements, and floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of the unit and serve only such unit. Such property and any insurance thereupon is the responsibility of the unit owner.”

- The Association will carry property insurance coverage for all 14 buildings containing residential units, other buildings (maintenance, pump, and pool cabanas), pools, pool patios, spa, tennis courts, pedestrian bridge, fences, pumps, signs, lighting, East generator, etc. Wind insurance will cover the 14 residential buildings and other buildings and fences.

- The Association will utilize an independent insurance agent who will shop for the most cost-effective quality insurance policies for commercial property, general liability, wind, equipment, boiler/machinery, crime, directors, umbrella, and workman’s comp (for staff).

- All insurance costs except property and wind will be spread evenly across all units, where each owner is assessed 1/359th of the total. Property insurance is assessed based on total insured value and wind insurance is based on an itemized charge for each structure. The percentage allocation of property and wind insurance will be recalculated annually based upon actual insurance data from the prior year. Any deductible paid by the association as
the result of an insurance claim is spread across all condo units, since there is only one policy and it is held by the master association.

- Proof of Loss forms will be completed and filed with the Association’s insurance agent for all property loss claims exceeding our $5,000 deductible.

- Per FL Statute §718.111(11)(g)2 “Unit owners are responsible for the cost of reconstruction of any portions of the condominium property for which the unit owner is required to carry property insurance, and any such reconstruction work undertaken by the association is chargeable to the unit owner and enforceable as an assessment”.

- Per FL Statute §718.111(11)(j)1 “A unit owner is responsible for the costs of repair or replacement of any portion of the condominium property not paid by insurance proceeds if such damage is caused by intentional conduct, negligence, or failure to comply with the terms of the declaration or the rules of the association by a unit owner, the members of his or her family, unit occupants, tenants, guests, or invitees, without compromise of the subrogation rights of the insurer”.

- Per FL Statute §718.111(11)(j)2 “The provisions of subparagraph 1 (see above) regarding the financial responsibility of a unit owner for the costs of repairing or replacing other portions of the condominium property also apply to the costs of repair or replacement of personal property of other unit owners or the association, as well as other property, whether real or personal, which the unit owners are required to insure”.

- Whenever the Association encounters losses due to owner or vendor damage, negligence, or misconduct, owner/vendor reimbursement will be aggressively pursued.

- Per FL Statute §718.111(11)(n), “The association is not obligated to pay for any reconstruction or repair expenses due to property loss to any improvements installed by a current or former owner of the unit or by the developer if the improvement benefits only the unit for which it was installed and is not part of the standard improvements installed by the developer on all units as part of original construction, whether or not such improvement is located within the unit.”

18. Accounts Payable

- The Association bookkeeper will review all invoices (compare them to budget and prior bills), and if determined to be reasonable, code them to the proper expense account, and submit them to the Property Manager for approval.
• Checks are produced at least twice a month (15th and 30th), and invoices are paid as close as possible to the due date. Payments will be scheduled to assure that late fees and/or interest charges are not incurred.

• Check Request Forms (see attached) are required for special payments. These are submitted to the Association’s Bookkeeper.

• All Association checks are endorsed by any two Board Members. When fewer than two Board Members are onsite, the Property Manager can sign checks as the second endorser. No blank check stock can be pre-endorsed, as this is an audit violation.

• Any extra material cost or labor required by the Association in accommodating owner modifications to common and limited common elements is the responsibility of the owner. The Association’s contractors will remove and replace owner-installed shutters, glass enclosures, patio floor tiles, etc., but the unit owner will be wholly responsible for all associated costs, and these will be charged back to the owner.

19. Recurring Expenses

• A list of vendors regularly used by the association for periodic expenses associated with commonly used products (e.g. equipment, supplies, etc.) or services (maintenance, pest control, etc.) is maintained at the management office.

• No special approval is required for routine use of these standard vendors, and other vendors under contract, unless costs significantly (>20%) exceed normal values.

• Regular monthly charges such as utility, credit card, and payroll costs are directly billed to the Association’s bank account whenever possible.

20. Non-Recurring Expenses

• Per FL Statute 718.3026(1), “All contracts as further described herein or any contract that is not to be fully performed within 1 year after the making thereof, for the purchase, lease, or renting of materials or equipment to be used by the association in accomplishing its purposes under this chapter, and all contracts for the provision of services, shall be in writing.”

• Also, per FL Statute 718.3026(1), “If a contract for the purchase, lease, or renting of materials or equipment, or for the provision of services, requires payment by the association on behalf of any condominium operated by the association in the aggregate that exceeds 5 percent of the total annual budget of the association, including reserves, the association shall obtain
competitive bids for the materials, equipment, or services. Nothing contained herein shall be construed to require the association to accept the lowest bid.

- Per FL Statute 718.3026(3)(c), “Approval of the contract or other transaction shall require an affirmative vote of two-thirds of the directors present.”

- Per FL Statute 718.3026(3)(d), “At the next regular or special meeting of the members, the existence of the contract or other transaction shall be disclosed to the members. Upon motion of any member, the contract or transaction shall be brought up for a vote and may be canceled by a majority vote of the members present. Should the members cancel the contract, the association shall only be liable for the reasonable value of goods and services provided up to the time of cancellation and shall not be liable for any termination fee, liquidated damages, or other form of penalty for such cancellation.”

- All contracts must be reviewed and approved in advance by the Association Treasurer. These contracts need to be shown on the first page of the monthly financial report provided to each Board Member.

- The rates for time and material contracts (for attorneys, accountants, engineers, etc.) need to be negotiated and agreed to by the Association President and Treasurer. Whenever possible total cost estimates and/or “not to exceed” limits should be set.

- To minimize cost and redundancy, only the Property Manager, Bookkeeper and Board Members are authorized to contact the Association attorney, and this contact must be coordinated with other Board Members.

- All Board Members and the Property Manager are individually authorized to approve (without additional authority) non-recurring (i.e. one-time) expenses up to a $1,000 limit. These expenses must be paid either by Association credit card or Association check. Cash is never an option.

21. Association Credit Cards

- Credit Card(s) will be used for regular routine expenses (copying services, postage, golf cart gasoline, replacement parts, etc.) and other expenses authorized by the Board. The Association Property Manager, Bookkeeper, lead maintenance person and Board Members are authorized to use Association Credit Cards.

- No individual Board Member will have his/her own Association credit card.

- The Association Treasurer will regularly review credit card accounts to assure appropriate and reasonable expenditures.
22. **Staff Salaries & Benefits**

- Staff salaries will be reviewed, and if appropriate, adjusted annually each January or on the employee’s hire date anniversary.

- Salary increases (cost-of-living and performance-based) and any bonuses will be based upon annual employee performance appraisals, and they must be approved in advance by the Treasurer.

- All employee compensation will be processed through the Association’s payroll vendor and charged against the Salary and Wages account.

- The Association will pay 50% of the monthly premium for the lowest cost medical plan and for dental and vision plans for its employees.

23. **Annual Budget**

- The annual budgeting process will take place each fall, normally beginning in early September. The process begins with a review of current expenses to date, projected expenses for the remainder of the current year, current budget variances, information regarding expected cost increases, any other known extra expenses for the next year, and any new restoration/improvement projects.

- Per FL Administrative Code 61B-22.003 the budget will disclose the beginning and ending dates of the period covered, which will be January 1st through December 31st of the budget year.

- As a multicondominium association, Jupiter Bay will adopt a separate budget of common expenses for each of the 8 condominiums the association operates and will adopt a separate budget of common (community) expenses for the master association.

- Per FL Statutes §718.112(2)(f) & §718.504(21)(c), The proposed annual budget of estimated revenues and expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, the following expense items: Administration of the association, Management fees (if any), Maintenance, Insurance, Security Provisions, Operating Capital, Reserves, Fees Payable to the Division, and Other Expenses.

- Per Paragraph 9.6 of Jupiter Bay’s Bylaws, “Class A expenses required by a Class A budget shall be assessed to the Unit in the Condominium for which the Class A budget is formulated in accordance with the proportionate share of common expense and common elements assigned that Unit in the Declaration of Condominium for that condominium.”
• Also, per Paragraph 9.6 of Jupiter Bays Bylaws, “Class B expenses required by the Class B budget are expenses to defray costs of operation of the Association, maintenance and operation of Recreational Facilities and other properties owned by the Association, and maintenance of all open spaces and landscaping in all condominiums operated by the Association.”

• Per FL Statute §718.112(2)(f)2, “In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. The amount to be reserved shall be computed by means of a formula [see below] which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item.”

• The Association utilizes a Full Funding strategy and straight-line accounting method for its reserve funds. The goal of this strategy is to attain and maintain the reserves at or near 100 percent as called for on the Component Inventory (i.e., Reserve Schedule). (For example if a component has a ten-year life and a $10,000 replacement cost, its balance should be $3,000 after three years.)

• Per FL Statute §718.112(2)(f)2, Replacement Cost and Years of Life are reviewed annually and adjusted as necessary. Replacement Cost is determined by prior expenditures (with an inflation adjustment) or current vendor quotes. Years of Life is determined by historical experience, vendor input and from experiences of other similar associations. Formal reserve studies are not required by law, and according to knowledgeable external sources, they are not very accurate and usually not worth the cost.

• Years Remaining Life is recalculated mathematically each year to properly reflect the number of years required to reach full replacement cost based on annual contribution and current balance.

• Per FL Administrative Code 61B-22.005(3)(a), “If a reserve fund balance is negative, the total amount necessary to bring a negative account balance to zero must be added to the Full Funding calculation.”

\[
Years Remaining Life = \left( 1 - \frac{YE \, Est.\, Balance}{Replacement\, Cost} \right) \times Est.\, Years\, of\, Life
\]

\[
Full\, Funding = \frac{Replacement\, Cost - YE\, Est.\, Balance}{Years\, Remaining\, Life}
\]
- A special membership meeting is required to determine by majority vote to waive the current year’s budget reserves, provide less reserves than required, use funds for purposes other than that for which the funds were originally reserved, or pool reserves. Any of these exceptions would be rare for Jupiter Bay. However, if contemplated, the voting for these exceptions must be by condominium if they are for individual condominium (building-specific) common elements.

- Per FL Administrative Code 61B-22.005(3)(b), “If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis.” In other words an association must have a reasonable expectation of being able to cover future annual reserve expenditures.

- Paragraph 9.4 of Jupiter Bay’s Bylaws imposes the following restrictions on budget increases (any exceptions would require a vote of owners):
  1) Current Expense shall not exceed one hundred fifteen percent (115%) of the prior year’s total (Class A plus Class B) Current Expense budget.
  2) Reserves for deferred maintenance and reserves for replacement shall not exceed one hundred fifteen percent (115%) of the prior year’s total (Class A plus Class B) for deferred maintenance and replacement reserve budgets.
  3) Reserves for betterments, which includes funds to be used for capital expenditures for additional improvements to the common Association property, shall not exceed one hundred fifteen percent (115%) of the Class B Budget amount for the prior year expended for a single item or purpose without approval of the Members of the Association.

- Per FL Statute §718.112(2)(e)2b, “Any determination of whether assessments exceed 115 percent of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the condominium property, anticipated expenses of the association which the Board does not expect to be incurred on a regular or annual basis, or assessments for betterments to the condominium property.”

- Per FL Statute §718.112(2)(e)2a, “If a Board adopts in any fiscal year an annual budget which requires assessments against unit owners which
exceed 115 percent of assessments for the preceding fiscal year, the Board shall conduct a special meeting of the unit owners to consider a substitute budget if the Board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget."

- Each Unit maintained by the Association will be assessed a share of the Class B (community) expenses equal to a fraction which has as its numerator the number one (1) and which has as its denominator the number of Units (359) in all Condominiums maintained by the Association.

- Each owner in Jupiter Bay East will be assessed 1/135th of their Condominium’s Class A expense, and all others are assessed 1/32nd of their Condominium’s Class A expense.

- The total annual assessment levied on a Unit shall be the sum of the assessment for Class A expenses (both operating and reserve) and the assessment for Class B expenses (both operating and reserve).

- All Class B and many Class A operating expenses are allocated evenly across all units of the Association. Exceptions include the following expenses that can be accurately identified to a specific association/building: Building Repair & Maintenance, Licenses & Fire Inspection Fees, Fire Alarms & Sprinklers, Elevator Maintenance & Repair, Generator Maintenance & Repair (East), Property Insurance, Wind Insurance, and Elevator Telephones.

24. **Budget Meetings**

- The budget will be prepared by and/or reviewed by a Budget Committee, which will be chaired by the Treasurer and consist of at least five total members, only two of which can be Board Directors.

- Per FL Statute §718.112(2)(c)2, All meetings of the Budget committee that will be making recommendations to the Board regarding the association budget are subject to the same provisions of a Board Meeting. This requires an adequate notice which must specifically identify all agenda items and be posted conspicuously on the condominium property at least 48 continuous hours before the meeting except in an emergency. Budget Committee meetings are open to all owners; however, due to the amount of detailed material to be covered, owner participation may be limited.

- Budgets will be adopted at a Board Meeting held sufficiently prior to year end to assure that the new budget and maintenance fees can be distributed to condominium owners prior to the start of the new budget year. Note that this is an exception to the Jupiter Bay Bylaws, paragraph 9.4(g), that says
“Copies of Class A Budgets and proposed assessments under the Class A Budget shall be transmitted to each Unit Owner in the Condominium for which the Class A Budget is formulated on or before December 1st preceding the year for which the Budget is made.”

- Per Florida Statute §718.112(2)(e)1, "Any meeting at which a proposed annual budget of an association will be considered by the Board or unit owners shall be open to all unit owners. At least 14 days prior to such a meeting, the Board shall hand deliver to each unit owner, mail to each unit owner at the address last furnished to the association by the unit owner, or electronically transmit to the location furnished by the unit owner for that purpose a notice of such meeting and a copy of the proposed annual budget. An officer or manager of the association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement, and such affidavit shall be filed among the official records of the association.”

25. **Levying of Fines**

- In accordance with FL Statute §718.303(3), "the Association may levy reasonable fines for the failure of the owner of the unit or its occupant, licensee, or invitee to comply with any provision of the declaration, the Association bylaws, or reasonable rules of the Association". A fine may not become a lien against a unit. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. However, the fine may not exceed $100 per violation per day, or $1,000 in the aggregate.

26. **Association Tenants**

- The Association leases to the Jupiter Bay Racquet Club, Inc. a pro shop, seven tennis courts and a restaurant. The restaurant, known as Beach House Island Bistro, has a separate sublease subordinate to the Racquet Club’s Master Lease.

- The Racquet Club and Restaurant are on a 20-year Lease that expires on June 30, 2032. Immediately upon the expiration of the current term, the Tenant has the option of electing to renew the terms of the Lease for an additional 20-year period provided Tenant is not in default of the Lease. In order to exercise this option, Tenant must provide notice to Landlord in writing of its intention to do so 6 months prior to expiration of the current term. The granting of the additional 20-year Lease extension is contingent upon the Racquet Club meeting a series of conditions defined in an Agreement with the Association.

- According to the Lease, the Tenant pays as rent for and during the term of the
Lease all of the expenses relating to the Leased Premises without limitation. These sums include, but are not limited to, real and personal Leased Premises taxes, insurance, water, sewer, gas, telephone, internet, cable television, electricity, building repairs, replacements, maintenance, tennis courts and pro shop maintenance and repairs, waste disposal, grounds and landscaping maintenance, remote fire and burglar alarm monitoring.

- Per the lease agreements, taxes on the Leased Premises, including, without limitation, real estate taxes and tangible, and intangible personal property taxes, sales tax or any other tax levied against the Leased Premises or as a result of Tenant’s business activities on said Leased Premises are paid by the Tenant. Upon receipt of a tax bill for the current year, Landlord will provide Tenant with a copy of the tax bill for the Leased Premises. Tenant will pay the tax bill by the April 1 delinquency date directly to the taxing authority and notify the Landlord when it has been paid with proof of such payment.

- Property and solid waste taxes are proportioned as follows: 72% due from the Restaurant and 28% due from the Tennis Club.

- The Association is billed for the restaurant’s water usage, which is reimbursed by the tenant.

- Each year, commencing five (5) years from the date of the lease amendment, the restaurant tenant shall pay to the Landlord an amount equal to six (6%) percent of gross annual receipts (from food and beverage service) exceeding the “threshold”. The threshold is one million dollars ($1,000,000) the first year of the amendment (1992) and the threshold increases by 5% each year.

27. Accounting Records Retention

- Per FL Statute §718.111(12), “The association shall maintain each of the following financial-related documents, which are a part of the official records of the association:

  1) All current insurance policies of the association and condominiums operated by the association.

  2) A current copy of any management agreement, lease, or other contract to which the association is a party or under which the association or the unit owners have an obligation or responsibility.

  3) Bills of sale or transfer for all property owned by the association.

  4) Accounting records for the association and separate accounting records for each condominium that the association operates. All accounting records must be maintained for at least 7 years.”
• According to FL Statute §718.111(12), “The accounting records must include, but are not limited to:
  1) Accurate, itemized, and detailed records of all receipts and expenditures.
  2) A current account and a monthly, bimonthly, or quarterly statement of the account for each unit designating the name of the unit owner, the due date and amount of each assessment, the amount paid on the account, and the balance due.
  3) All audits, reviews, accounting statements, and financial reports of the association or condominium.
  4) All contracts for work to be performed. Bids for work to be performed are also considered official records and must be maintained by the association for one year.”

• FL Statute §718.111(12) also says that “Any person who knowingly or intentionally defaces or destroys such [financial] records, or who knowingly or intentionally fails to create or maintain such records, with the intent of causing harm to the association or one or more of its members, is personally subject to a civil penalty pursuant to statute §718.501(1)(d).”
JUPITER BAY CONDOMINIUM ASSOCIATION, INC.

CHECK REQUEST FROM ACCOUNT

Date: ____________________
Amount: ____________________

Payable to: ____________________
Address: ____________________
City: ______________        State: _______        Zip: __________

Date Needed by: __________
Mail to Above Address
Deliver Check to: ____________________

Reason: ____________________

Code to: __________        Requester by: __________
# Financial Policy Draft

### Monthly Reserve Schedule Example

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