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DECLARATION OF

COLONY COURTS TWO CONDOMINIUM NO. 43

Inactive Corporations, Inc., a Florida corporation (hereinafter called the "Developer") do hereby declare as follows:

1. Introduction and Submission:

1.1 The Land. The Developer owns the fee title to certain real property located in Broward County, Florida, as more particularly described in Exhibit "1" attached hereto (the "Land").

1.2 Submission Statement. The Developer hereby submits the Land and, except as otherwise provided herein, all improvements erected or to be erected thereon, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, less and except the Central System as defined in this Declaration, to the condominium form of ownership and use in the manner provided by the Florida Condominium Act as it exists on the date hereof.

1.3 Name. The name by which this condominium is to be identified is: Colony Courts Two Condominium 43 (hereinafter called the "Condominium").

2. Definitions. The following terms which are used in this Declaration and in its exhibits, and as they may hereafter be amended, shall have the meaning described to them in this Section, except where the context clearly indicates a different meaning:

2.1 "Act" means the Condominium Act (Chapter 718 of the Florida Statutes) as it exists on the date hereof.

2.2 "Articles" means the Articles of Incorporation of the Association.

2.3 "Assessment" means a share of the funds required for the payment of Common Expenses which, from time to time, is assessed against the Unit Owner.

2.4 "Special Assessment" means any assessment levied against Unit Owners other than the Assessment required by a budget adopted annually.

2.5 "Association" means Colony Courts Two Condominium Association, Inc., a Florida corporation not for profit, the entity responsible for the operation of the Condominium.

2.6 "Homeowners Association" means the Colony Courts Two Homeowners Association, Inc., a Florida corporation not-for-profit, the entity responsible for the ownership, management, maintenance and operation of the Common Open Space as defined in the Declaration for the Colony Courts Two Homeowners Association.

2.7 "Association Property" means that property, real and personal, in which title or ownership is vested in the Association for the use and benefit of its members.

2.8 "Building" means the structure in which the Units are located on the Condominium Property.

2.9 "By-Laws" means the By-Laws of the Association.

2.10 "Common Elements" shall mean and includes:

(a) The portions of the Condominium Property which are not included within the Units;

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- (b) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and Common Elements;
- (c) An easement of support in every portion of the Unit which contributes to the support of the Building;
- (d) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements;
- (e) Any other parts of the Condominium Property designated as Common Elements in the Declaration;
- (f) Common Elements includes Limited Common Elements unless the context otherwise requires.

2.11 "Common Expenses" means all expenses incurred and Assessments (and Special Assessments levied against all of the Units of the Condominium) by the Association for the Condominium and shall include:

- (a) Expenses of administration and management of the Condominium property.
- (b) Expenses of taxes, insurance, maintenance, operation, repair and replacement of Common Elements, Limited Common Elements, and of the portions of the Units, if any, to be maintained by the Association.
- (c) Costs and expenses of capital improvements, betterments and additions to the Common Elements.
- (d) Costs and expenses of carrying out the powers and duties of the Association, including any expenses allowable for services being rendered by a management company with which the Association may contract.
- (e) Expenses declared Common Expenses by the provisions of this Declaration or by any instrument annexed as an Exhibit hereto.
- (f) Any valid charge against the Condominium Property as a whole.

2.12 "Common Surplus" means the excess of all receipts of the Association collected on behalf of the Condominium, including but not limited to, Assessments, Special Assessments, rents, profits and revenues on account of the Common Elements, above the amount of Common Expenses.

2.13 "Limited Common Elements" means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of all other Units as specified in this Declaration. Reference herein to Common Elements shall include all Limited Common Elements unless the context would prohibit such inclusion or it is otherwise expressly provided.

2.14 "Condominium Parcel" means a Unit together with the undivided share in the Common Elements which is appurtenant to said Unit, and when the context permits, the term includes all other appurtenances to the Unit.

2.15 "Condominium Property" means the land and personal property that are subject to condominium ownership under the Declaration, all improvements on the land, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

2.16 "County" shall mean Broward County, Florida.

2.17 "Declaration" or "Declaration of Condominium" means the instrument or instruments by which the Condominium will be created.

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- 2.18 "Developer" shall mean and refer to Inactive Corporations, Inc., a Florida corporation, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign only a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of the Condominium. In the event of such a partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of the Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.
- 2.19 "Improvements" mean all structures and artificial changes to the natural environment (exclusive of landscaping) on the Condominium Property, including but not limited to, the Building.
- 2.20 "Institutional First Mortgagee" means a bank, savings and loan association, insurance company, mortgage banker, real estate or mortgage investment trust, pension fund, Developer, GAMA, FNMA, FHLMC, VA, FHA, or any other lender, or its loan correspondent or agency of the United States Government, holding, guaranteeing or insuring a first mortgage on a Unit or Units.
- 2.21 "Management Contract" means and refers to that certain agreement, which provides for the management of the Condominium Property.
- 2.22 "Management Firm" means and refers to the corporation, its successors and assigns, identified as the Management Firm in the Management Contract. The Management Firm shall be responsible for the management of the Condominium Property as provided in the Management Contract.
- 2.23 "Primary Institutional First Mortgagee" means the Institutional First Mortgagee which owns at any time first mortgages encumbering Units which secure a greater aggregate indebtedness than is owed to any other Institutional First Mortgagee.
- 2.24 "Unit" means a part of the Condominium Property which is subject to exclusive ownership.
- 2.25 "Unit Owner" or "Owner of a Unit" means the Owner of a Condominium Parcel.
- 2.26 "Voting Certificate" means a document which designates one of the record title Owners, or the corporate partnership, or entity representative who is authorized to vote on behalf of a Unit owned by more than one Owner or by any entity.
- 2.27 "Voting Interest" means the voting rights distributed to the Association members pursuant to the Act and Section 5 of this Declaration.
- 2.28 "Special Assessment" means any assessment levied against Unit Owners other than the assessment required by a budget adopted annually.
3. Description of Condominium.
- 3.1 Identification of Units. The Land has constructed thereon two (2) two-story buildings containing two (2) Units each, for a total of four (4) units. Each such Unit is identified by a separate numerical or alpha-numerical designation. The designation of each of such Units is set forth on Exhibit "3" attached hereto. Exhibit "3", together with this Declaration is sufficient in detail to identify the Common Elements and each Unit and their relative locations and approximate dimensions. There shall pass with a Unit, as appurtenances thereto: (a) an undivided share in the Common Elements and Common Surplus; (b) the exclusive right to use such portion of the Common Elements as may be provided in this

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Declaration; (c) an exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, provided that an easement in airspace which is vacated shall be terminated automatically; (d) membership in the Association designated in this Declaration with the full voting rights appertaining thereto; and (e) other appurtenances as may be provided in this Declaration. Time-share estates will not be created with respect to any Unit in the Condominium.

3.2 Unit Boundaries. Each Unit shall include that part of the Building containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

- (a) Upper and lower boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:
 - (i) Upper boundaries. The horizontal plane of the unfinished lower surface of the ceiling.
 - (ii) Lower boundaries. The horizontal plane of the unfinished upper surface of the floor.
- (b) Perimetrical boundaries. The perimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior of the walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries.

3.3 Limited Common Elements. Units shall have, as Limited Common Elements appurtenant thereto:

- (a) Patios. Each ground floor Unit shall have a patio abutting it for the exclusive use of the Unit Owner owning such Unit. The Unit Owner shall be responsible for maintenance and care of the patio, including, without limitation, all wiring, electric outlets, lighting fixtures and screening. A Unit Owner may not enclose exterior patios without the prior written consent of the Management Firm, if applicable, and the Board of Directors of the Association.
- (b) Storage Space and Utility Rooms. Utility rooms or storage space attached to each Condominium Building, which shall be for the exclusive use of the Unit Owner designated on Exhibit "3" attached hereto. The Unit Owner that has exclusive use of the utility room or storage space shall be responsible for maintenance and care of the utility room or storage space, including, without limitation, all wiring, electric outlets, lighting fixtures and water heater.
- (c) Air conditioner condensing unit. If located within the Condominium Property, each Unit Owner shall be responsible for the maintenance and care of the air conditioner condensing unit.
- (d) Mailboxes. If located within the Common Elements, each Unit shall be entitled to the exclusive use of one (1) mailbox which the Developer shall assign to the Unit at closing.

3.4 Easements. The following easements are hereby created (in addition to any easements created under the Act).

- (a) Support. Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.
- (b) Utility and Other Services; Drainage. Easements are reserved under, through and over the Condominium Property as may be required from time to time for utility and other services and drainage in order to serve the Condominium. A Unit Owner shall do nothing within or outside his Unit that

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interferes with or impairs, or may interfere with or impair, the provision of such utility or other services or drainage facilities or the use of these easements. The Board of Directors of the Association or its designee shall inspect same, to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits and other utility, service and drainage facilities and Common Elements contained in the Unit or elsewhere in the Condominium Property.

- (c) Encroachments. If (a) any portion of the Common Elements encroaches upon any Unit; (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements; or (c) any encroachment shall hereafter occur as a result of (i) construction of the Improvements; (ii) settling or shifting of the Improvements; (iii) any alteration or repair to the Common Elements made by or with the consent of the Association, or (iv) any repair or restoration of the Improvements (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Improvements shall stand.
- (d) Ingress and Egress. A non-exclusive easement in favor of each Unit Owner and occupant, their respective guests and invitees, shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes. None of the easements specified in this Subparagraph (d) shall be encumbered by any leasehold or lien other than those on the Condominium Parcels. Any such lien encumbering such easements (other than those on Condominium Parcels) shall automatically be subordinate to, the rights of Unit Owners with respect to such easements. In addition, there is hereby created a non-exclusive easement in favor of all of the Owners of residential Units, residents and their guests and invitees in the Development for ingress and egress over that portion of the Common Elements, if any, designated for vehicular and pedestrian traffic.
- (e) Construction, Maintenance. The Developer (including its designees, contractors, successors and assigns) shall have the right, in its and their sole discretion, from time to time, to enter the Condominium Property and take all other action necessary or convenient for the purpose of completing the construction thereof, of any Improvements or Unit located or to be located thereon, and for repair, replacement and maintenance purposes where the Association fails to do so, provided such activity does not prevent or unreasonably interfere with the use or enjoyment by the Unit Owners of the Condominium Property.
- (f) Sales Activity. For as long as there are any unsold Units, the Developer, its designees, successors and assigns, shall have the right to use any such Units and parts of the Common Elements for model apartments and sales offices, to show model apartments and the Common Elements to prospective purchasers and tenants of the Units, and to erect on the Condominium Property signs and other promotional material to advertise Units and certain Limited Common Elements for sale or lease.
- (g) Developer's Warranty. For as long as Developer is liable under the terms of its Warranty in favor of the Unit Owners and Association, Developer, including its designees and Contractors shall have the right, in its and their sole discretion, from time to time, to enter the Condominium

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Property or any improvements or Units located thereon, for repair or replacement purposes and take all other action necessary or convenient for the purpose of fulfilling its obligations under the Warranty.

- (h) Governmental Personnel. A right of entry over, through and across the Common Elements is hereby granted to law enforcement officers, fire and rescue personnel and sanitation personnel as needed to carry out their duties, including enforcement of cleared emergency vehicle access.
 - (i) Additional Easements. The Developer (so long as it owns any Units) and the Association, on their behalf and on behalf of all Unit Owners (each of whom hereby appoints the Developer and the Association as their attorney-in-fact for this purpose), each shall have the right to grant such additional electric, gas, other utility or service or other easements, or relocate any existing easements or drainage facilities, in any portion of the Condominium Property, and to grant access easements or relocate any existing access easements in any portion of the Condominium Property, as the Developer or the Association shall deem necessary or desirable for the proper operations and maintenance of the Improvements, or any portion thereof, or for the general health or welfare of the Unit Owners, or for the purpose of carrying out any provisions of this Declaration or otherwise, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Units for dwelling purposes. The Association, subject to the prior consent of the Developer, which consent shall be required until the date of December 31, 1993 or until Developer has conveyed title to the last Condominium Unit to be built in the Development, or such earlier time at the sole discretion of Developer, has the authority without the joinder of any Unit Owners, to grant, modify or move any easement subject to the provisions of the easement, if the easement constitutes part of or crosses the Common Elements.
4. Restraint Upon Separation and Partition of Common Elements. The undivided share in the Common Elements and Common Surplus which is appurtenant to a Unit, an exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, membership in the Association designated in this Declaration, with the full voting rights appertaining thereto, and except as provided herein, the exclusive right to use all appropriate appurtenant Limited Common Elements, shall not be separated from and shall pass with the title to the Unit, whether or not separately described. All of this afore-described appurtenances to a Unit cannot be conveyed or encumbered except together with the Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements, the Condominium Property, or any part thereof, shall lie, except as provided herein with respect to termination of the Condominium.
5. Ownership of Common Elements and Common Surplus and Share of Common Expenses; Voting Rights.
- 5.1 Fractional Ownership and Shares. The undivided fractional interest in the Common Elements and Common Surplus, and the fractional share of the Common Expenses appurtenant to each Unit, is set forth in Exhibit "2" annexed hereto.
 - 5.2 Voting. Each Unit shall be entitled to one vote to be cast by its Owner in accordance with the provisions of the By-Laws and Articles. Each Unit Owner shall be a member of the Association.
6. Amendments. Except as elsewhere provided herein, amendments may be effected as follows:
- 6.1 By the Association. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which

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a proposed amendment is to be considered. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors of the Association or by not less than one-third (1/3) of the voting interests of the members of the Association. Directors not present in person and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting.

(a) An approval of a proposed amendment which materially amends any of the provisions of the Declaration which establishes, provides for, governs or regulates any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair or replacement of the Common Elements;
- (4) Insurance or Fidelity Bonds;
- (5) Rights to use the Common Elements;
- (6) Responsibility for maintenance and repair of the Units and the Common Elements, including the Limited Common Elements;
- (7) Merger of the Association with another association or the addition, annexation or withdrawal of property to or from the Condominium;
- (8) Boundaries of any Unit, subject to Paragraph 10 hereof;
- (9) The interests of Unit Owners in the Common Elements;
- (10) Convertability of Units into Common Elements or of Common Elements into Units;
- (11) Leasing of Units;
- (12) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey a Unit;
- (13) Establishment of self-management by the Association where professional management has been required by HUD, VA, FVMA or FHLMC;
- (14) Any provisions included in the Declaration, By-Laws or the Articles of the Association which are for the express benefit of holders or insurers of first mortgages on Units in the Condominium;

except where a larger percentage is otherwise provided under the laws of the State of Florida or in this Declaration, must be approved by not less than 67% of the Voting Interests of all of the members of the Association and the approval of eligible holders of Institutional First Mortgages on Units to which at least 51% of the votes of Units subject to a mortgage appertain. To be eligible, a holder of a first mortgage must, in writing to the Association, request to be noticed of proposed amendments to the Declaration.

(b) All other approvals of amendments to the Declaration must be approved by the affirmative vote of:

- (1) Unit Owners owning in excess of 50% of the Voting Interests represented at any meeting at which a quorum

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has been attained and by not less than 66-2/3% of the Board of Directors of the Association; or

- (2) Unit Owners owning not less than 80% of the Voting Interests represented at any meeting at which a quorum has been attained; or
- (3) 100% of the Board of Directors; or
- (4) Not less than 50% of the entire membership of the Board of Directors in the case of amendments to sections of this Declaration that are reasonably required by insurers or the Primary Institutional First Mortgages.

6.2 By the Developer. Provided said changes, alterations, additions and improvements are (1) not inconsistent with the terms and provisions of the Act and the applicable rules of the Florida Department of Business Regulation, and (2) as more particularly described in the Offering Circular or prospectus required under the Act, the Developer shall have the right, without the consent or approval of the Board of Directors or Unit Owners, to provide additional and/or expand and/or alter recreational or other commonly used facilities; provided that the relocation or alteration does not materially adversely affect the market value or the ordinary use of the units owned by Unit Owners other than the Developer.

6.3 Execution and Recording. An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording date identifying the Declaration and shall be executed in the form required for the execution of a Deed. Amendments by the Developer must be evidenced in writing, but a certificate of the Association is not required. An amendment of the Declaration is effective when properly recorded in the Public Records of the County.

6.4 Procedure. No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Declaration. See provision _____ for present text". Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment.

6.5 Proviso. Unless otherwise provided specifically to the contrary in this Declaration, no amendment shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to any Unit, or change the percentage by which the Owner of a Unit shares the Common Expenses and owns the Common Elements and Common Surplus, unless the record Owner(s) thereof and all record owners of mortgages or other liens thereon shall join in the execution of the amendment. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagees of Units without the consent of said Developer and mortgagees in each instance; or shall an amendment make any change in the sections hereof entitled "Insurance", "Reconstruction or Repair After Casualty" or "Condemnation" unless all Institutional First Mortgages whose mortgages are of record shall join in the amendment.

7. Maintenance and Repairs.

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- 7.1 Units. All maintenance, repairs and replacements of, in or to any Unit and Limited Common Elements appurtenant thereto, whether structural or nonstructural, ordinary or extraordinary, including, without limitation, maintenance, repair and replacement of screens, windows, the interior side of the entrance door and all other doors within or affording access to a Unit, and the electrical, plumbing, heating and air-conditioning equipment, fixtures and outlets, if any, within the Unit or the Limited Common Elements or belonging to the Unit Owner, shall be performed by the Owner of such Unit at the Unit Owner's sole cost and expense, except as otherwise expressly provided to the contrary herein, and shall be made in accordance with the original plans and specifications therefor or as otherwise directed by the Association. Additionally, each Unit Owner shall pay all charges for utility services metered directly to his Unit.
- 7.2 Common Elements. Except to the extent (i) expressly provided to the contrary herein, or (ii) proceeds of insurance are made available therefor, all maintenance, repairs and replacements in or to the Common Elements (other than Limited Common Elements as provided above) shall be performed by the Association and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense, except to the extent arising from or necessitated by the negligence, misuse or neglect of specific Unit Owners, in which case such cost and expense shall be paid solely by such Unit Owners.
- 7.3 Specific Unit Owner Responsibility. The obligation to maintain and repair the following specific items shall be the responsibility of the Unit Owners, individually and not the Association, without regard to whether such items are included within the boundaries of the Units or Limited Common Elements:
- (a) Where a Limited Common Element consists of a patio, every Unit Owner who has the right to the exclusive use of a patio shall be responsible for the maintenance, care and preservation of the paint and surface of the interior parapet walls, including floor and ceiling, within said area, if any, and the fixed and/or sliding glass door(s) of the entrance way(s), or other portions of said area, if any, and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs, if any.
 - (b) Storage space and/or utility space, if applicable.
 - (c) Air conditioner condensing unit, if applicable.
- 7.4 Association's Right of Access to Units. The Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any Common Elements or for making emergency repairs which are necessary to prevent damage to the Common Elements or to another Unit or Units.
- 7.5 Miscellaneous. All work performed on the Condominium Property or any portion thereof shall be in compliance with all applicable governmental building and zoning requirements. All plumbing and electrical maintenance, repairs, and replacements shall be made only by plumbers or electricians duly licensed and qualified to perform such services in Broward County, Florida.
8. Additions, Alterations or Improvements by Association and Developer.
- 8.1 Additions, Alterations or Improvements by the Association. Whenever, in the judgment of the Board of Directors, the Common Elements or any part thereof shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in excess of \$500.00 in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by a majority of the voting interests of the Units represented at a meeting at

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which a quorum is attained. Any such additions, alterations or improvements to such Common Elements or any part thereof costing in the aggregate of \$500.00 or less in a calendar year may be made by the Association without approval of the Unit Owners. The cost and expense of any such additions, alterations or improvements to such Common Elements shall constitute a part of the Common Expenses and shall be assessed to the Unit Owners as Common Expenses.

8.2 Additions, Alterations or Improvements by the Developer. The Developer, provided Developer is the owner of all of the Units in a Building (or Buildings, as the case may be) in the Condominium, shall have the right, without the vote or consent of the Association or Unit Owners, to change all or any part of the front, rear or side elevations of the Building (or Buildings, as the case may be) and, provided further that Developer shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in so doing.

9. Additions, Alterations or Improvements by Unit Owners and Developer.

9.1 Consent of the Board of Directors. No Unit Owner shall make any addition, alteration or improvement in or to the Common Elements, his Unit or any Limited Common Elements without the prior written consent of the Board of Directors. The Board shall have the obligation to answer any written request by a Unit Owner for approval of such an addition, alteration or improvement in such Unit Owner's Unit or Limited Common Elements within thirty (30) days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent. The proposed additions, alterations and improvements by the Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise.

A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, all other Unit Owners harmless from any liability or damage to the Condominium Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance from and after that date of installation or construction thereof as may be required by the Association. Unless expressly permitted in writing by the Association, the installation of any floor covering, other than padded carpeting or wall padded vinyl tile, is prohibited. In any event, Unit Owners shall have the duty of causing there to be placed underneath such covering, so as to be between any such covering and the floor of the Unit, generally accepted and approved material for diminution of noise and sound, so that the floors shall be adequately soundproof according to general architectural and engineering standards presently observed in the community.

9.2 Additions, Alterations or Improvements by Developer. The Developer shall have the right, with the approval of a majority of the Voting Interests in the Association, to make alterations, additions or improvements, structural and nonstructural, interior and exterior, ordinary and extraordinary, in, to and upon any Unit owned by it (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the improvements). If the Association alters the floor plans of the building, the Association will cause an amendment to the Declaration to be recorded showing such changes.

10. Changes in Developer-Owned Units. Without limiting the generality of the provisions of Section 9.2 above, the Developer shall have the right, with the approval of a majority of the Voting Interests in the Association, to (i) make alterations, additions or improvements in, to and upon Units owned by the Developer, whether structural or

nonstructural, interior or exterior, ordinary or extraordinary; (ii) change the layout or number of rooms in any Developer-owned Units; (iii) combine contiguous Developer-owned Units; provided, however, that the number of units and their proportionate percentage interest in the Common Elements and share of the Common Surplus and Common Expenses as set forth herein shall not be changed by reason thereof unless the Owners of all Units affected by such change shall consent thereto, and, provided further that the Association shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in so doing. In making the above alterations, additions and improvements, the Association may relocate and alter Common Elements adjacent to such Units provided that such relocation and alteration does not materially adversely affect the market value or ordinary use of Units owned by Unit Owners other than the Developer.

11. Operation of the Condominium by the Association; Power and Duties. The Association shall be the entity responsible for the operation of the Condominium. The powers and duties of the Association shall include those set forth in the Articles and By-Laws of the Association (respectively, Exhibits "4" and "5" annexed hereto), as amended from time to time. In addition, the Association shall have all the powers and duties set forth in the Act, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation:

- (a) The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair or replacement of any common elements or for making emergency repairs which are necessary to prevent damage to the common elements or to another unit or units.
- (b) The power to make and collect Assessments and Special Assessments and other charges and surcharges against Unit Owners and to lease, maintain, repair and replace the Common Elements.
- (c) The power to charge a use fee against a Unit Owner for the exclusive or nonexclusive use of all or a portion of the Common Elements or Association Property.
- (d) The duty to maintain accounting records according to good accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times.
- (e) To contract for the management and maintenance of the Condominium Property and to authorize a management agent (which may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments and Special Assessments, preparation of records, enforcement of rules and maintenance, repairs and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Act, including but not limited to the making of Assessments, Special Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (f) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interests in property owned by the Association, provided that such actions are approved by a majority of the entire membership of the Board of Directors and a majority of the voting interests of the Unit Owners represented at a meeting at which a quorum has been attained, or by such greater percentage of the Board or voting interests of the Unit Owners as may be specified in the By-Laws with respect to certain borrowing.

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- (g) Subsequent to the recording of this Declaration, the Association, when authorized by a majority of the voting interests of the Units represented at a meeting at which a quorum has been attained, shall have the power to acquire and enter into agreements for the acquisition of fee interests, leaseholds, memberships and other possessory or use interests in lands or facilities, including, but not limited to, country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to the lands of the Condominium intended to provide for the use or benefit of the Unit Owners (whether or not on an exclusive basis). The expenses of ownership (including the expense of making and carrying any mortgage related to such ownership), rental, membership fees, operation, replacements and other expenses and undertakings in connection therewith shall be Common Expenses. No actions authorized hereunder, however, may be taken without prior consent of Developer as long as the Developer owns any Units.
- (h) The power to adopt and amend the rules and regulations covering the details of the operation and use of the Condominium Property.
- (i) The power to levy reasonable fines against a Unit for failure of the Owner or its occupant, licensee or invitee to comply with any provision of this Declaration, the By-Laws or the rules and regulations.
- (j) All of the powers which a corporation not for profit in the State of Florida may exercise.

In the event of conflict between the powers and duties of the Association or otherwise, the Declaration shall take precedence over the Articles, By-Laws and applicable rules and regulations; the Articles shall take precedence over the By-Laws and applicable rules and regulations; and the By-Laws shall take precedence over applicable rules and regulations, all as amended from time to time.

- 11.1 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair caused by any latent condition of the Condominium Property.
- 11.2 Restraint Upon Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.
- 11.3 Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for the Unit if at an Association meeting, unless the joinder of record Owners is specifically required by the Declaration or by law.
- 11.4 Acts of the Association. Unless the approval or action of Unit Owners and/or a certain specific percentage of the Board of Directors of the Association is specifically required in this Declaration, the Articles or By-Laws of the Association, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Directors, without the consent of Unit Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

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12. Determination of the Common Expenses and Fixing of Assessments Therefor. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium, and allocate and assess such expenses among the Unit Owners in accordance with the provisions of this Declaration and the By-Laws. The Board of Directors shall advise all Unit Owners promptly in writing of the amount of the Assessment payable by each of them as determined by the Board of Directors as aforesaid and shall furnish copies of each budget, on which such Assessments are based, to all Unit Owners and (if requested in writing) to their respective mortgagees. The Common Expenses shall include the expenses of the operation, maintenance, repair and replacement of the Common Elements, Special Assessments levied against all of the Units of the Condominium, costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles or By-Laws of the Association, applicable rules and regulations, or by the Association. Except as provided by law, any reserve funds may be used as the Board shall determine from time to time and need not be restricted to replacements or otherwise. Any budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of the By-Laws. Additionally, any charges for cable television services and auxiliary services, if provided to all of the Units of the Condominium, shall be deemed to be a Common Expense. The Board of Directors in determining the amount of the Assessments payable by the Unit Owners shall be authorized to include such charges in the estimated operating budget for the Condominium. Accordingly, the provisions contained in Section 13 of this Declaration with respect to the collection of Assessments shall be applicable to the charges for cable television services and auxiliary services.

13. Collection of Assessments and Special Assessments.

13.1 Liability for Assessments and Special Assessments. A Unit Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments and Special Assessments coming due while he is the Unit Owner. Except as provided for in Section 13.5, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments and Special Assessments against the grantor for his share of the Common Expenses up to the time of transfer of title, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. The liability for Assessments and Special Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments and Special Assessments are made or otherwise.

13.2 Default in Payment of Assessments or Special Assessments for Common Expenses. Assessments, Special Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at the highest rate allowable by law from the due date until paid. The Association has a lien on each Condominium Parcel for any unpaid Assessments and Special Assessments on such Parcel, with interest and for reasonable attorney's fees and costs incurred by the Association incident to the collection of the Assessments and Special Assessments or enforcement of the lien. The lien is effective from and after recording a claim of lien in the Public Records of the County, stating the description of the Condominium Parcel, the name of the record Owner, the amount due and the due dates. No such lien shall continue for a longer period than one year after the claim of lien has been recorded, unless within that time an action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid Assessments, Special Assessments, interest, costs, and attorneys' fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to entry of a final judgment of foreclosure. A claim of lien shall be signed and acknowledged by an officer or agent of the Association. Upon payment the person making the payment is entitled to a satisfaction of the lien. The Association may bring an action in its name to foreclose a lien for unpaid Assessments and Special Assessments in the manner a

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mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments and Special Assessments without waiving any claim of lien.

- 13.3 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments and Special Assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments and Special Assessments, including those coming due after the claim of lien is recorded, and other sums permitted hereunder are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given, and the court shall proceed with the foreclosure action and may award attorneys' fees and costs as permitted by law. If after diligent search and inquiry the Association cannot find the Unit Owner or a mailing address at which the Unit the Owner will receive the notice, the court may proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the Unit Owner records a Notice of Contest of Lien as provided in the Act and shall not apply if an action to foreclose a mortgage on the Unit is pending before any court, if the Association's rights would be affected by such foreclosure, and if actual, constructive or substitute service of process has been made on the Unit Owner.
- 13.4 Appointment of Receiver to Collect Rental. If the Unit Owner remains in possession of the Unit and the claim of lien is foreclosed, the court in its discretion may require the Unit Owner to pay a reasonable rental for the Unit and the Association is entitled to the appointment of a receiver to collect the rent.
- 13.5 First Mortgagee. A first mortgagee who acquires title to the Unit by foreclosure or by deed in lieu of foreclosure shall be liable for the unpaid common expenses and assessments that became due prior to the mortgagee's receipt of the deed. However, the mortgagee's liability is limited to a period not to exceed six (6) months, but in no event shall the first mortgagee's liability exceed one (1%) percent of the original mortgage debt. The first mortgagee's liability for such expenses or assessments shall commence 30 days after the date the first mortgagee received the last payment of principal or interest.
- 13.6 Developer's Liability for Assessments. (i) The Developer shall be excused from the payment of the share of the Common Expenses and Assessments relating to Units it is offering for sale, for a period beginning with the recording of this Declaration and ending on the earlier of one year from the first day of the following month in which the Certificate of Occupancy issued or the date of turnover of the Association (the "Guarantee Date"), the Developer shall not be obligated to pay the share of the Common Expenses and Assessments attributable to Units it is offering for sale, provided that the regular monthly Assessments for Common Expenses imposed on each Unit Owner other than the Developer shall not increase during such period over \$39.30 per month per unit, which is the amount set opposite such Unit's designation (model type) in the Estimated Operating Budget contained in the Offering Circular (Prospectus) delivered to such Unit Owner when such owner contracted to purchase the Unit, if applicable; and provided further that the Developer shall be obligated to pay any amount of Common Expenses actually incurred during such period and not produced by the Assessments at the guaranteed level receivable from Unit Owners. The period that Developer is excused from the payment of the share of Common Expenses and Assessments relating to Units it is offering for sale may be unilaterally extended by the Developer

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for one or more successive periods of one year each until such time as the Developer does not own any units in the Condominium.

(ii) No funds receivable from Unit purchasers or Owners payable to the Association or collected by the Developer on behalf of the Association, other than regular periodic Assessments for Common Expenses as provided in this Declaration and disclosed in the Estimated Operating Budget contained in the Offering Circular (Prospectus) delivered to such Unit purchaser or Owner when such Unit purchaser or Owner contracted to purchase the Unit, if applicable, shall be used for payment of Common Expenses prior to the fourth calendar month following the month in which the closing of the purchase and sale of the first Unit occurs. This restriction shall apply to funds including, but not limited to, capital contributions or start-up funds collected from Unit purchasers at closing.

13.7 Certificate of Unpaid Assessments. The Association shall provide a certificate stating all Assessments, Special Assessments, and other moneys owed to the Association by the Unit Owner with respect to the Condominium Parcel, within 15 days after request by a Unit Owner or Institutional First Mortgagee.

13.8 Installments. Assessments or Special Assessments may be collected monthly or quarterly in advance, at the option of the Association, from time to time.

13.9 Special Assessments. The specific purpose or purposes of any Special Assessment approved in accordance with this Declaration, Articles, or By-Laws shall be set forth in a written notice of such Special 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, or returned to the Unit Owners. However, upon completion of such specific purpose or purposes, any excess funds shall be considered Common Surplus.

14. Insurance. Insurance covering portions of the Condominium Property shall be governed by the following provisions:

14.1 Purchase, Custody and Payment.

(a) Purchase. All insurance policies described herein covering portions of the Condominium Property shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Florida.

(b) Approval. Each insurance policy, the agency and company issuing the policy and the Insurance Trustee (if appointed) hereinafter described, shall be subject to the approval of the Primary Institutional First Mortgagee in the first instance.

(c) Named Insured. The named insured shall be the Association, individually, and as agent for Owners of Units covered by the policy, without naming them and as agent for their mortgagees, without naming them. The Unit Owners and their mortgagees shall be additional insured.

(d) Custody of Policies and Payment of Proceeds. All policies shall provide that payments for losses made by the insurer shall be paid to the Insurance Trustee (if appointed), and all policies and endorsements thereto shall be deposited with the Insurance Trustee (if appointed).

(e) Copies to Mortgagees. One copy of each insurance policy, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each Institutional First Mortgagee who holds a mortgage upon a Unit covered by the policy. Copies or certificates shall be furnished not less than ten (10) days prior to the beginning of the term of the policy or not less than ten (10) days prior to the expiration of each preceding policy that is being renewed or replaced, as appropriate.

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(f) Personal Property and Liability. Unit Owners may obtain insurance coverage at their own expense and at their own discretion upon the property lying within the boundaries of their Unit, including, but not limited to, their personal property and for their personal liability and living expense and for any other risks.

14.2 Coverage. The Association shall maintain insurance covering the following:

- (a) Casualty. The Building (including all fixtures, installations or additions comprising that part of the Building within the boundaries of the Units initially installed, or replacements thereof, of like kind or quality in accordance with the original plans and specifications therefor, or as existed at the time the Unit was initially conveyed if the original plans and specifications are not available, but excluding floor coverings, wall coverings and ceiling coverings, all furniture, furnishings or other personal property owned, supplied or installed by Unit Owners or tenants of Unit Owners) and all improvements located on the Common Elements from time to time, together with all service machinery contained therein (collectively, the "Insured Property"), shall be insured in an amount not less than 100% of the full insurable replacement value thereof, excluding foundation and excavation costs. Such policies may contain reasonable deductible provisions as determined by the Board of Directors of the Association. Such coverage shall afford protection against:
 - (i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and
 - (ii) Such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism and malicious mischief.
- (b) Liability. Comprehensive general public liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Condominium Property or adjoining driveways and walkways, or any work, matters or things related to the Condominium Property, or the Association or this Declaration and its exhibits, with such coverage as shall be required by the Association, but with combined single limit liability of not less than \$1,000,000 for bodily injury, death, or property damage, arising out of a single occurrence, and with cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.
- (c) Workers' compensation and other mandatory insurance, when applicable.
- (d) Flood insurance, if required by the Primary Institutional First Mortgagee or if the Association so elects.
- (e) To the extent required by law, fidelity bonds shall be required for directors, officers and other persons who control and disburse funds of the Association. The premiums on such bonds shall be paid by the Association as a Common Expense.
 - (i) Such fidelity bonds shall name the Association as an obligee;
 - (ii) The fidelity bonds shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent at any time during the term of such bonds, and will be in an amount of a sum equal to three (3) months' aggregate

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assessments on all units plus reserve funds or Fifty Thousand Dollars (\$50,000.00). whichever amount is greater;

- (iii) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions;
 - (iv) The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Association as a Common Expense;
 - (v) The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Association or Insurance Trustee;
 - (vi) When required, such bonds shall provide that the FNMA Servicer receive notice of any cancellation or modification of the bonds, on behalf of FNMA.
- (f) Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the Association and against the Unit Owner's individually and as a group, (ii) the clause that reserves to the insurer the right to pay only a fraction of any loss in the event of co-insurer the right to pay only a fraction of any loss in the event of co-insurance or if other insurance carriers have issued coverage upon the same risk, and (iii) avoid liability for a loss that is caused by an act of the Board of Directors of the Association, or by a member of the Board of Directors of the Association or by one or more Unit Owners.

14.3 Additional Provisions. All policies of physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the named insured, including all mortgagees of Units. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from a fire insurance company or other competent appraiser, of the full insurable replacement value of the Insured Property (exclusive of foundations), without deduction for depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section.

14.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense. Premiums may be financed in such manner as the Board of Directors deems appropriate.

14.5 Insurance Trustee; Share of Proceeds. All insurance policies obtained by the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that, if appointed, all proceeds covering property losses shall be paid to the Insurance Trustee which may be designated by the Board of Directors and which, if so appointed, shall be a bank or trust company in Florida with trust powers with its principal place of business in the County. The Insurance Trustee (if appointed) shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee (if appointed) shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

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- (a) Insured Property. Proceeds on account of damage to the Insured Property shall be held in undivided shares for each Unit Owner, such shares being the same as the undivided shares in the Common Elements appurtenant to each Unit, provided that if the Insured Property so damaged includes property lying within the boundaries of specific Units, that portion of the proceeds allocable to such property shall be held as if that portion of the Insured Property were Optional Property as described in subparagraph (b) below.
- (b) Optional Property. Proceeds on account of damage solely to Units and/or certain options or all of the contents thereof not included in the Insured Property (all as determined by the Association in its sole discretion) (collectively, the "Optional Property"), if any is collected by reason of optional insurance which the Association elects to carry thereon (as contemplated herein), shall be held for the benefit of Owners of Units or other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.
- (c) Mortgages. Except as set forth in Section 15.1, no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the Unit Owner and mortgagee pursuant to the provisions of this Declaration.

14.6 Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee (if appointed) shall be distributed to or for the benefit of the beneficial Owners thereof in the following manner:

- (a) Expenses of the Trust. All expenses of the Insurance Trustee (if appointed) shall be first paid or provisions shall be made therefor.
- (b) Reconstruction or Repair. If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners thereof, remittances to Unit Owners and their mortgagees being payable jointly to them.
- (c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated among the beneficial owners as provided in Section 14.5 above, and distributed first to all Institutional First Mortgagees in an amount sufficient to pay off their mortgages, and the balance, if any, to the beneficial owners.
- (d) Certificate. In making distribution to Unit Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners and their mortgagees and their respective shares of the distribution.

14.7 Association as Agent. The Association is hereby irrevocably appointed as agent and attorney-in-fact for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

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- 14.8 Unit Owners Personal Coverage. Insurance policies issued to individual Unit Owners shall provide that the coverage afforded by such policies is excess over the amount recoverable under any other policy covering the same property without rights of subrogation against the Association. Unless the Association elects otherwise, the insurance purchased by the Association shall not cover claims against an Owner due to accidents occurring within his Unit, nor casualty or theft loss to the contents of an Owner's Unit. It shall be the obligation of the individual Unit Owner, if such Owner so desires, to purchase and pay for insurance as to all such other risks not covered by insurance carried by the Association.
- 14.9 Benefit of Mortgagees. Certain provisions in this Section 14 entitled "Insurance" are for the benefit of mortgagees of Units and may be enforced by such mortgagees.
- 14.10 Insurance Trustee. The Board of Directors of the Association shall have the option in its discretion of appointing an Insurance Trustee hereunder. If the Association fails or elects not to appoint such Trustee, the Association will perform directly all obligations imposed upon such Trustee by this Declaration.
15. Reconstruction or Repair After Fire or Other Casualty.
- 15.1 Determination to Reconstruct or Repair. In the event of damage to or destruction of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the Insurance Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) and the Insurance Trustee (if appointed) shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Notwithstanding the above, if 75% or more of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) is substantially damaged or destroyed and if Unit Owners owning 80% of the applicable interests in the Common Elements duly and promptly resolve not to proceed with the repair or restoration thereof and the Primary Institutional First Mortgage and the Board of Directors of the Homeowners Association approves such resolution, the Condominium Property will not be repaired and shall be subject to an action for partition instituted by the Association, any Unit Owner, mortgagee or lienor, as if the Condominium Property were owned in common, in which event the net proceeds of insurance resulting from such damage or destruction shall be divided among all the Unit Owners in proportion to their respective interests in the Common Elements with respect to proceeds held for damage to the Insured Property other than that portion of the Insured Property lying within the boundaries of the Unit, and among affected Unit Owners in proportion to the damage suffered by each such affected Unit Owner, as determined in the sole discretion of the Association (with respect to proceeds held for damage to the Optional Property, if any, and/or that portion of the Insured Property lying within the boundaries of the Unit); provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such fund all mortgages and liens on his Unit in the order or priority of such mortgages and liens. Whenever in this Section the words "promptly repair" are used, it shall mean that repairs are to begin not more than sixty (60) days from the date the Insurance Trustee (if appointed) notifies the Board of Directors and Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, nor not more than ninety (90) days after the Insurance Trustee (if appointed) notifies the Board of Directors and the Unit Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work. The Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine

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whether or not the damaged property is to be reconstructed or repaired.

15.2 Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original improvements; or if not, then in accordance with the plans and specifications approved by the Board of Directors of the Association, and if the damaged property which is to be altered is the Building or the Optional Property, by the Owners of not less than 80% of the applicable interests in the Common Elements, as well as the Owners of all Units and other portions of the Optional Property (and their respective mortgagees) the plans for which are to be altered.

15.3 Special Responsibility. If the damage is only to those parts of the Optional Property for which the responsibility of maintenance and repair is that of the respective Unit Owners, then the Unit Owners shall be responsible for all necessary reconstruction and repair (unless insurance proceeds are held by the Association with respect thereto by reason of the purchase of optional insurance thereon, in which case the Association shall have the responsibility to reconstruct and repair the damaged Optional Property, provided the respective Unit Owners shall be individually responsible for any amount by which the cost of such repair or reconstruction exceeds the insurance proceeds held for such repair or reconstruction on a Unit by Unit basis, as determined in the sole discretion of the Association). In all other instances, the responsibility for all necessary reconstruction and repair shall be that of the Association.

15.4 Estimate of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

15.5 Special Assessments. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs of reconstruction and repair are insufficient, Special Assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Special Assessments on account of damage to the Insured Property shall be in proportion to all of the Owner's respective shares in the Common Elements, and on account of damage to the Optional Property, in proportion to the cost of repairing the damage suffered by each Owner thereof, as determined by the Association.

15.6 Construction Funds. The funds for payment of the costs of reconstruction and repair, which shall consist of proceeds of insurance held by the Insurance Trustee (if appointed) and funds collected by the Association from Special Assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:

- (a) **Association.** If the total Special Assessments made by the Association in order to provide funds for payment of the costs of reconstruction and repair which are the responsibility of the Association are more than \$10,000, then the sums paid upon such Special Assessments shall be deposited by the Association with the Insurance Trustee (if appointed). In all other cases, the Association shall hold the sums paid upon such Special Assessments and disburse the same in payment of the costs of reconstruction and repair.
- (b) **Disbursement.** The proceeds of insurance collected on account of a casualty, and the sums collected from Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

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- (i) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$50,000, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors of the Association; provided, however, that upon request to the Insurance Trustee (if appointed) by an Institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage.
- (ii) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is more than \$50,000, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by subparagraph (i) above, but then only upon the further approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.
- (iii) Unit Owners. If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair that are the responsibility of the Association, this balance may be used by the Association to effect repairs to the Optional Property (if not insured or if under insured), or may be distributed to Owners of the Optional Property who have the responsibility for reconstruction and repair thereof. The distribution shall be in the proportion that the estimated cost of reconstruction and repair of such damage to each affected Unit Owners bears to the total of such estimated costs to all affected Unit Owners, as determined by the Board; provided, however, that no Unit Owner shall be paid an amount in excess of the estimated costs of repair for his portion of the Optional Property. All proceeds must be used to effect repairs to the Optional Property, and if insufficient to complete such repairs, the Owners shall pay the deficit with respect to their portion of the Optional Property and promptly effect the repairs. Any balance remaining after such repairs have been effected shall be distributed to the affected Unit Owners and their mortgagees jointly as elsewhere herein contemplated.
- (iv) Surplus. It shall be presumed that the first monies disbursed in payment of cost of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated, except, however, that part of a distribution to an Owner which is not in excess of Assessments paid by such Owner into the construction fund shall not be made payable to any mortgagee.
- (v) Certificate. Notwithstanding the provisions herein, the Insurance Trustee (if appointed) shall not be required to determine whether or not sums paid by Unit Owners upon Special Assessments shall be deposited by the Association with the Insurance Trustee (if appointed), nor to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the Special Assessments paid by Owners, not to determine the payees nor the amounts to be paid. The

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Insurance Trustee (if appointed) may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the names of the payees and the amounts to be paid.

15.7 Benefit of Mortgagees. Certain provisions in this Section 15 are for the benefit of mortgagees of Units and may be enforced by any of them.

16. Condemnation.

16.1 Deposit of Awards with Insurance Trustee. The taking of portions of the Condominium Property by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee (if appointed). Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee (if appointed); and in the event of failure to do so, in the discretion of the Board of Directors of the Association, a Special Assessment shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Owner.

16.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain shall also be deemed to be a casualty.

16.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the awards and Special Assessments will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee (if appointed) after a casualty, or as elsewhere in this Section 16 specifically provided.

16.4 Unit Reduced but Habitable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable (in the sole opinion of the Association), the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the condominium:

- (a) Restoration of Unit. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the Unit.
- (b) Distribution of Surplus. The balance of the award in respect of the Unit, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and such mortgagees.
- (c) Adjustment of Shares in Common Elements. If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements and of the Common Expenses and Common Surplus appurtenant to the Unit shall be reduced by multiplying the percentage of the applicable Unit prior to reduction by a fraction, the numerator of

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which shall be the area in square feet of the Unit after the taking and the denominator of which shall be the area in square feet of the Unit before the taking. The shares of all Unit Owners in the Common Elements, Common Expenses and Common Surplus shall then be restated as follows:

- (i) add the total of all percentages of all Units after reduction as aforesaid (the "Remaining Percentage Balance"); and
- (ii) divide each Percentage for each Unit after reduction as aforesaid by the Remaining Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

16.5 Unit Made Uninhabitable. If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made habitable (in the sole opinion of the Association), the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:

- (a) **Payment of Award.** The awards shall be paid first to the applicable Institutional First Mortgagee in amounts sufficient to pay off their mortgages in connection with each Unit which is not so habitable; second, to the Association for any due and unpaid Assessments and Special Assessments; third, jointly to the affected Unit Owners and other mortgagees of their Units. In no event shall the total of such distributions in respect of a specific Unit exceed the market value of such Unit immediately prior to the taking. The balance, if any, shall be applied to repairing and replacing the Common Elements.
- (b) **Addition to Common Elements.** The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the Unit Owners in the manner approved by the Board of Directors of the Association; provided that if the cost of the work therefor shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner elsewhere required for capital improvements to the Common Elements.
- (c) **Adjustment of Shares.** The shares in the Common Elements, Common Expenses and Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, Common Expenses and Common Surplus among the reduced number of Unit Owners (and among reduced Units). This shall be effected by restating the shares of continuing Unit Owners as follows:
 - (i) add the total of all percentages of all Units of continuing Owners prior to this adjustment, but after any adjustments made necessary by Section 16.4(c) hereof (the "Percentage Balance"); and
 - (ii) divide the percentage of each Unit of a continuing Owner prior to this adjustment, but after any adjustments made necessary by Section 16.4(c) hereof, by the Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

- (d) **Special Assessments.** If the balance of the award (after payments to the Unit Owner and such Owner's mortgagees as above provided) for the taking is not sufficient to alter the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by Special Assessments against all of the Unit Owners who will continue as Owners of Units after the

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changes in the Condominium affected by the taking. The Special Assessments shall be made in proportion to the applicable percentage shares of those Owners after all adjustments to such shares affected pursuant hereto by reason of the taking.

- (e) Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit and the Association within thirty (30) days after notice of a dispute by any affected party, such value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit. A judgment upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction in accordance with the Florida Arbitration Code. The cost of arbitration proceedings shall be assessed against all Unit Owners, including Owners who will not continue after the taking, in proportion to the applicable percentage shares of such owners as they exist prior to the adjustments to such shares affected pursuant hereto by reason of the taking.

- 16.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustments to these shares effected pursuant hereto by reason of the taking. If there is a mortgage on a Unit, the distribution shall be paid jointly to the Owner and the Mortgagees of the Unit.

- 16.7 Discretion of Board. In circumstances not covered by this Declaration or by law, a two-thirds (2/3) majority of the Board may, upon an opinion of counsel that its decision is reasonable, deal with the condemnation in such reasonable manner as it determines to be appropriate under the circumstances.

- 16.8 Amendment of Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are affected by the taking shall be evidenced by an amendment to this Declaration that is only required to be approved by and executed upon the direction of a majority of all Directors of the Association.

17. Occupancy and Use Restrictions. In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the Units, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions:

- 17.1 Occupancy. Each Unit shall be used as a residence only, except as otherwise herein expressly provided. A Unit owned by an individual, corporation, partnership, trust or other fiduciary may only be occupied by the following persons, and such persons' families and guests: (i) the individual Unit Owner, (ii) an officer, director, stockholder or employee of such corporation, (iii) a partner or employee of such partnership, (iv) the fiduciary or beneficiary of such fiduciary, or (v) permitted occupants under an approved lease or sublease of the Unit (as described below), as the case may be.

Occupants of an approved lease or subleased Unit must be the following persons, and such persons' families and guests: (i) an individual lessee or sublessee, (ii) an officer, director,

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stockholder or employee of a corporate lessee or sublessee, or (iv) a fiduciary or beneficiary of a fiduciary lessee or sublessee.

In no event shall occupancy (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom. The Board of Directors shall have the power to authorize occupancy of a Unit by persons in addition to those set forth above. The provisions of this Section 17.1 shall not be applicable to Units used by the Developer for model apartments, sales offices, other offices or management services.

- 17.2 Children.** Children shall be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Condominium Property and including full compliance by them of these restrictions and all rules and regulations of the Association. All children under fourteen (14) years of age must be accompanied by a responsible adult when entering and/or utilizing the recreational facilities and comply with the rules and regulations of the Property Owners Association with respect to same.
- 17.3 Pets.** No pets shall be allowed in any Unit or the Common Elements except, each Unit shall be allowed to house one (1) dog or one (1) cat. Each Unit may also house domestic birds or fish. Pets shall be kept within a Unit and not be permitted on any portion of the Condominium Property except when adequately secured and restrained by a leash, where applicable, and all such pets shall be walked in such areas designated by the Association so as to control the deposit of animal waste on the Condominium Property. No guests or invitees of an Owner shall be permitted to bring animals of any kind on the Condominium Property. No animals shall be allowed to commit a nuisance in any public portion of the Condominium Property. The term "pet" shall be limited to a dog, cat, fish or small domestic birds. Dogs may not be kept in Limited Common Elements when the Owner is not in the Unit. Each Unit Owner owning a pet shall assume full responsibility for personal injuries or property damage caused by his pet, and each Unit Owner hereby agrees to indemnify the Association and all other Unit Owners and hold them harmless against any loss, claim or liability of any kind whatsoever arising from or growing out of any harm, injury, or damage caused by such Unit Owner's pet. Without limiting the generality of Section 18 hereof, violation of the provisions of this paragraph shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Unit Owners (as provided in any applicable rules and regulations) and/or to require any pet to be permanently removed from the Condominium Property upon three (3) days' notice.
- 17.4 Alterations.** Without limiting the generality of Section 9.1 hereof, no Unit Owner shall cause or allow improvements or changes to any Unit, Limited Common Elements appurtenant thereto or Common Elements, including but not limited to, painting or other decorating of any nature, installing any electrical wiring, television antennae, machinery or air-conditioning units or in any manner changing the appearance of any portion of the Building, without obtaining the prior written consent of the Association (in the manner specified in Section 9.1 hereof).
- 17.5 Use of Common Elements.** The Common Elements shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.
- 17.6 Nuisances.** No nuisances (as defined by the Association) shall be allowed on the Condominium Property, nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of Units or which interferes with the peaceful possession or proper use of the Condominium Property by its residents or occupants.

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- 17.7 No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover relating to any portion of the Condominium Property, shall be corrected by and at the sole expense of the party obligated to maintain or repair such portion of the Condominium Property, as elsewhere herein set forth. No waterbats are to be brought into the Units for any reason whatsoever.
- 17.8 Leases. No portion of a Unit (other than an entire Unit) may be rented. All leases shall be on forms approved by the Association and shall provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Articles and By-Laws of the Association, applicable rules and regulations or other applicable provisions of any agreement, document or instrument governing the Condominium or administered by the Association. No lease for a Unit shall be for a term of less than three (3) months. Unit Owners wishing to lease their Units shall be required to provide the Association with a copy of the lease prior to occupancy by the tenant, and to place in escrow with the Association a sum to be determined by the Association which may be used by the Association to repair any damage to the Common Elements resulting from acts or omissions of tenants (as determined in the sole discretion of the Association). The Unit Owner will be jointly and severally liable with the tenant to the Association for any amount in excess of such sum which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant. Any balance remaining in the escrow account, less an administrative charge determined by the Association, shall be returned to the Unit Owner within ninety (90) days after the tenant and all subsequent tenants permanently move out. All leases shall also comply with and be subject to the provisions of Section 18 hereof.
- 17.9 Exterior Improvements; Landscaping. Without limiting the generality of Section 9.1 or Section 17.4 hereof, no Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, or windows of the Building (including, but not limited to, awnings, signs, storm shutters, screens, furniture, fixtures and equipment), nor to plant or grow any type of shrubbery, flower, tree, vine, grass or other plant life outside his Unit, without the prior written consent of the Association.
- 17.10 Floor Coverings - Noise Abatement. All floors in the Units except bathrooms, kitchens, and foyer shall be carpeted so as to abate the noise which may be created and transmitted to the Unit or common elements of the Condominium lying below. In the event the Board of Directors determines that any noise is being transmitted to another Unit or to common elements and that such noise is unreasonable, then the Owner of such Unit shall, at his expense, take such steps as shall be necessary to abate such noise to the satisfaction of the Board.
- 17.11 Effect on Developer; Association. With the exception of Section 17.8 hereof and unless the Rules of the Florida Department of Business Regulation or the Act require otherwise, the restrictions and limitations set forth in this Section 17 shall not apply to the Developer or to Units owned by the Developer. The Association shall have the power (but not the obligation) to grant relief in particular circumstances from the provisions of specific restrictions contained in this Section 17 for good cause shown.
18. Compliance and Default. Each Unit Owner and every occupant of a Unit and the Association shall be governed by and shall comply with the terms of this Declaration and all exhibits annexed hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time. The Association (and Unit Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided by the Act:

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18.1 Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association.

18.2 Compliance. In the event a Unit Owner or occupant fails to maintain a Unit or fails to cause such Unit to be maintained, or fails to observe and perform all of the provisions of this Declaration, the By-Laws, the Articles, applicable rules and regulations or any other agreement, document or instrument affecting the Condominium Property or administered by the Association, in the manner required, the Association shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable fines and in accordance with the rules and regulations and to sue in a court of law for damages. In addition, the Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any Common Elements or for making emergency repairs which are necessary to prevent damage to the Common Elements or to another Unit or Units.

18.3 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner or the Association to comply with the requirements of the Act, this Declaration, the exhibits annexed hereto or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (including appellate attorneys' fees) as may be awarded by the court.

18.4 No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provisions of the Act, this Declaration and the exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, shall not constitute a waiver of their right to do so thereafter.

19. Merger of Condominium. The Condominium may be merged with one or more condominiums within the Development to form a single condominium upon (i) the approval of such voting interests of each Condominium as is required by the declaration for modifying the appurtenances to the Units or changing the proportion or percentages by which the Owners of the Condominium Parcel share the Common Expenses and own the Common Surplus, (ii) the approval of all of the Institutional First Mortgages and of all record owners of liens and (iii) upon the recording of new or amended Articles of Incorporation, Declaration(s) of Condominium and By-Laws. In this connection, the Developer covenants that, so long as the Veterans Administration or the Federal Housing Administration has an interest in the Condominium, the Condominium will not be merged with another condominium or condominiums without prior written approval of the Administrator of the Veterans Administration and/or the Administrator of the Federal Housing Administration.

20. Termination of Condominium. The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Declaration, or (ii) such time as withdrawal of the Condominium Property from the provisions of the Act is authorized by a vote of Owners owning at least seventy-five (75%) percent of the applicable interest in the Common Elements (after twenty (20%) percent of the Units have been sold to Unit Owners other than the Developer, the Developer will not vote the Units owned by it for such withdrawal unless the Owners of at least seventy-five (75%) percent of all other applicable interests in the Common Elements so elect for such withdrawal, at which time Developer may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit), and by the Primary Institutional First Mortgage. In the event such withdrawal is authorized as aforesaid, the Condominium Property shall be subject to an action for partition by any Unit Owner, mortgagee or lienor as if owned in common in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their

respective interest in the Common Elements, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all mortgages and liens of his Unit in the order of their priority. The termination of the Condominium, as aforesaid, shall be evidenced by a certificate of the Association executed by its President and Secretary, certifying as to the basis of the termination and said certificate shall be recorded among the Public Records of the County. This section may not be amended without the consent of all Institutional First Mortgages and the Developer so long as it owns any Unit.

21. Additional Rights of Institutional First Mortgages. In addition to all other rights herein set forth, Institutional First Mortgages shall have the right, upon written request to the Association, to:

21.1 Examine the Association's books and records, and require copies of the annual reports and other financial data;

21.2 Receive notice of Association meetings and attend such meetings;

21.3 Receive notice of an alleged default by any Unit Owner, for whom such Institutional First Mortgage holds a mortgage, which is not cured within thirty (30) days of notice of default to such Unit Owner; and

21.4 Receive notice of any substantial damage or loss to any portion of the Condominium Property.

21.5 Receive timely written notice of any lapse, cancellation or material modification of any insurance policy maintained by Association pursuant to Paragraphs 14.2(a) and (b) hereof.

22. Execution of Documents Required by Broward County, Florida. The Developer's plan for the Development as a community may require from time to time the execution of certain documents required by the County. To the extent that said documents require the joinder of any or all property owners in the Development, each of said Owners, by virtue of his acceptance of a deed to his Unit, does irrevocably give and grant to the Developer, or any of its officers individually, full power of attorney to execute said documents as his agent and in his place and stead.

23. Covenant Running With The Land. All provisions of this Declaration, the Articles, By-Laws and applicable rules and regulations of the Association shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the Developer and subsequent owner(s) of the Land or any part thereof, or interest therein, and their respective heirs, personal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future Unit Owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration and such Articles, By-Laws and applicable rules and regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease, or the entering into occupancy of any Unit, shall constitute an adoption and ratification of the provisions of this Declaration and the Articles, By-Laws and applicable rules and regulations of the Association, as they may be amended from time to time, by such Unit Owner, tenant or occupant.

24. Reservation of Right to Own, Install, Provide and Maintain a Closed Circuit Television System, Telecommunications System, a Master Antennae System and Community Antennae Television System (CATV Service).

24.1 Developer reserves and retains to itself, its successors and assigns: (1) the title to any closed circuit television system, telecommunications system, master antennae system, and related ancillary services and to the equipment including but not limited

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to conduits, wires, amplifiers, towers, antennae and related apparatus and electronic equipment both active and passive (the "Central System") in and upon the Condominium Property and an easement for 99 years for the placement and location of the Central System including, but not limited to conduits, wires, amplifiers, towers, antennae and related apparatus and electronic equipment, both active and passive, and (ii) an easement for 99 years for ingress to and egress from the Condominium Property to service, maintain, install, repair and replace the aforesaid apparatus and equipment; and (iii) the right to connect the Central System to such receiving source as Developer may in its sole discretion deem appropriate, including, without limitation, companies licensed to provide the CATV Service in the County, for which service Developer, its successors and assigns or designees shall have the right to charge the Association and/or individual Unit Owners a reasonable fee not to exceed the maximum allowable charge for CATV Service to single family residences as charged within the general vicinity.

24.2 The Unit Owners acknowledge that the Central System described in Section 24.1 above, includes but is not limited to the CATV services as well as the ancillary services which may include security, medical, smoke and fire alert, information retrieval and so forth. Such Central System is offered as part of Developer's endeavor to provide a total environment to the Unit Owners and enhance the "way-of-life" at the Development.

25. Additional Provisions.

25.1 Notices. All notices to the Association required or desired hereunder or under the By-Laws of the Association shall be sent by certified mail (return receipt requested) to the Association care of its office at the Condominium, or to such other address as the Association may hereafter designate from time to time by notice in writing to all Unit Owners. Except as provided specifically in the Act, all notices to any Unit Owner shall be sent by first class mail to the Condominium address of such Unit Owner, or such other address as may have been designated by him from time to time, in writing, to the Association. All notices shall be deemed to have been given when mailed in a postage-prepaid, sealed wrapper, except notice of a change of address, which shall be deemed to have been given when received, or five (5) business days after proper mailing, whichever shall first occur.

25.2 Interpretation. The Board of Directors of the Association shall be responsible for interpreting the provisions hereof and of any of the Exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of counsel that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.

25.3 Mortgages. The Association shall not be responsible to any mortgagee or lienor of any Unit hereunder and may assume the Unit is free of any such mortgages or liens, unless written notice of the existence of such mortgage or lien is received by the Association.

25.4 Exhibits. There is hereby incorporated in this Declaration any materials contained in the Exhibits annexed hereto which under the Act are required to be part of the Declaration.

25.5 Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a vice-president may be substituted therefor, and wherever the signature of the Secretary of the Association is required hereunder, the signature of an assistance secretary may be substituted therefor, provided that the same person may not execute any single instrument on behalf of the Association in two separate capacities.

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- 25.6 Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this Declaration, the Exhibits annexed hereto or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, said dispute or litigation shall be governed by the laws of the State of Florida.
- 25.7 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association in its own name and/or on behalf of the Unit Owners unless same is approved by a vote of seventy-five (75%) of the Voting Interests of all of the Unit Owners. This Section shall not apply, however, to (i) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (ii) proceedings, or (iii) counterclaims brought by the Association in proceedings instituted against it. Notwithstanding the provisions of Section 6 of this Declaration, this Section shall not be amended unless such amendment is approved by the percentage of votes necessary to institute proceedings as provided above.
- 25.8 Construction Litigation. All Units and their appurtenant Common Elements have been or will be sold without any Developer's warranties whatsoever except as provided in the Act (to the extent such warranties are not effectively disclaimed and remain in full force and effect, if at all). As to such warranties, if any, and as to any claim arising from or connected with the design or construction of any Unit(s) or the Common Elements including, without limitation, claims alleging negligent construction, failure to build in accordance with any particular plans or specifications or failure to comply with building or other codes, laws, ordinances or regulations (collectively, "Construction Matters"), it shall be a material condition precedent to the institution of any proceeding regarding Construction Matters that (i) the party or parties bringing same shall have first given notice to the Developer or other party against whom which relief or recovery is sought (the "Defendant") of the specific Construction Matters complained of and what actions are necessary to cure or correct same, and (ii) the Defendant shall have been given at least forty-five (45) days (subject to extension by reason of matters beyond the control of the Defendant or because of the nature of the applicable Construction Matter(s) and shall have materially failed to do so. If any Construction Matter is not cured or corrected as aforesaid, all applicable parties shall be bound to submit the disputes or claims regarding the Construction Matters at issue solely to binding arbitration in accordance with the Florida Arbitration Code and the rules of the American Arbitration Association and the parties and their successors and assigns shall be bound by the results of such arbitration. Without limiting the general binding effect of this Declaration, each Owner and other person acquiring any right, title or interest in or to any Unit shall be deemed, by virtue of the acceptance of the conveyance, grant, transfer or assignment thereof, to be fully bound by the provisions of this Section 25.8 and of Section 25.7 above, as shall the Association.
- 25.9 Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the Exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.
- 25.10 Waiver. No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.
- 25.11 Ratification. Each Unit Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Unit, by reason of his occupancy, shall be deemed to have acknowledged and agreed that all of the

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provisions of this Declaration, and the Articles and By-Laws of the Association, and applicable rules and regulations, are fair and reasonable in all material respects.

25.12 Execution of Documents; Attorney-in-Fact. Without limiting the generality of other Sections of this Declaration and without such other Sections limiting the generality hereof, each Owner, by reason of the acceptance of a deed to such Owner's Unit, hereby agrees to execute, if required by the County or any other governmental agency, to complete the plan of development of the Development (of which the Condominium is a part), any and all amendments to the existing documents as they may be hereafter amended and each such Owner further appoints hereby and thereby the Developer as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of such Owners, any and all of such documents or consents. This power of attorney is irrevocable and coupled with an interest. The provisions of this Section may not be amended without the consent of the Developer.

25.13 Gender; Plurality. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all or no genders.

25.14 Captions. The captions herein and in the Exhibits annexed hereto are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular document or any provision thereof.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be duly executed and its corporate seal to be hereunto affixed this 16th day of March, 19 93.

Signed, sealed, and delivered in the presence of:

Inactive Corporations, Inc.

By:

M. E. Salada, Vice President

Attest:

Morris J. Watsky,
Assistant Secretary

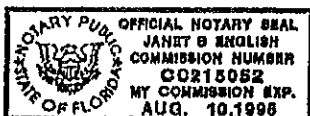
ACKNOWLEDGMENT

STATE OF FLORIDA)
COUNTY OF DADE)

The foregoing Declaration of Condominium was acknowledged before me this 16th day of March, 19 93, by M. E. Salada and Morris J. Watsky, as Vice President and Assistant Secretary respectively, of Inactive Corporations, Inc., a Florida corporation, on behalf of said corporation. They are personally known to me and did not take an oath.

Notary Public, State of Florida

My Commission Expires:



EX20459860624

COLONY COURTS TWO CONDOMINIUM 43

LEGAL DESCRIPTION

Lots 1 and 2 of Block 43 of the Plat entitled
"Twin Fountains Phase Two", according to the Plat
thereof, as recorded in Plat Book 150 at Page 17
of the Public Records of Broward County, Florida.

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EXHIBIT "1" TO DECLARATION

ALLOCATION OF FRACTIONAL SHARES OF
COMMON ELEMENTS, COMMON EXPENSES AND COMMON SURPLUS

Each Unit shall have as an appurtenance thereto the fractional share of the Common Elements, Common Expenses and Common Surplus set forth opposite such Unit below:

COLONY COURTS TWO CONDOMINIUM NO. 43

<u>BUILDING</u>	<u>UNIT</u>	<u>FRACTIONAL SHARE</u>
43-1	L	1/4
43-1	U	1/4
43-2	L	1/4
43-2	U	1/4

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EXHIBIT "2" TO DECLARATION

PLOT PLAN
COLONY COURTS TWO CONDOMINIUM NO. 43
A CONDOMINIUM

EXHIBIT 5 TO THE DECLARATION OF CONDOMINIUM

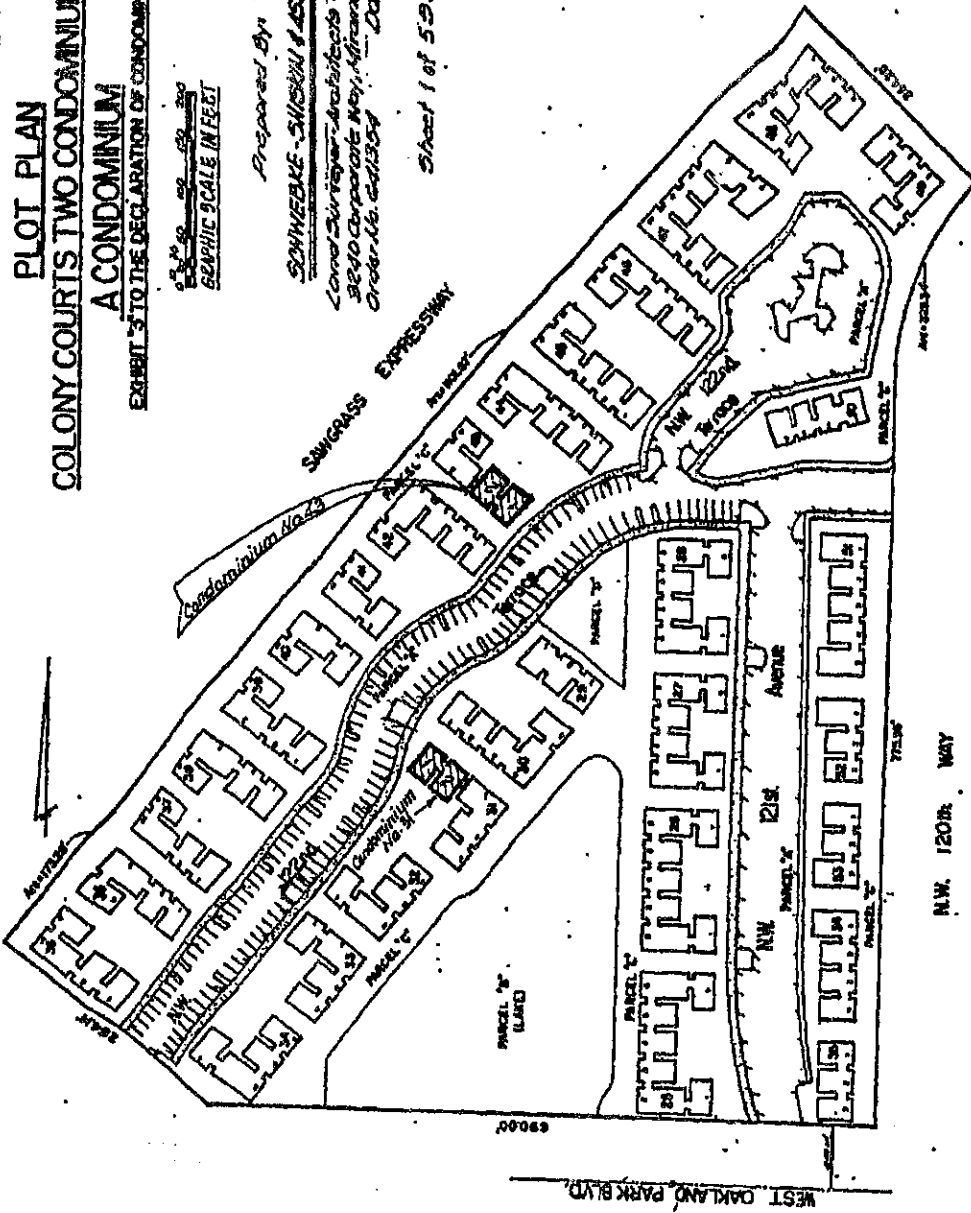
GRAPHIC SCALE IN FEET
0 50 100 150 200

Prepared By

SCHWABE-SWENSON & ASSOCIATES, INC.

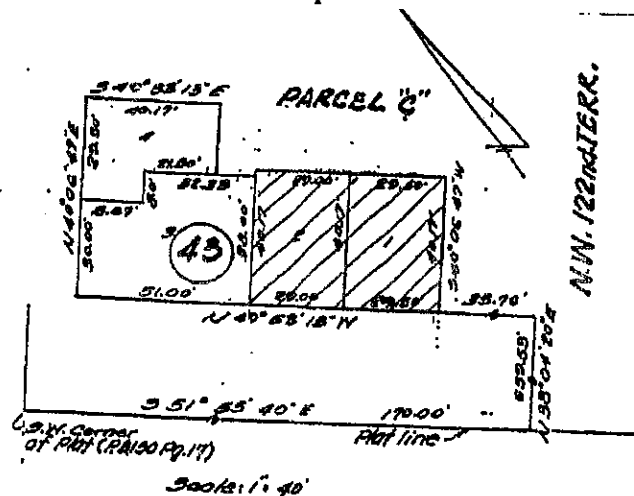
Land Surveyor/Architects - Registered
3840 Corporate Way, Miramar, FL 33025
Order No. 641354 Date 11-8-98

Sheet 1 of 5 Sheets



TWIN FOUNTAINS PHASE TWO PLAT BOOK 15Q, PAGE 17.

BK20459P00627

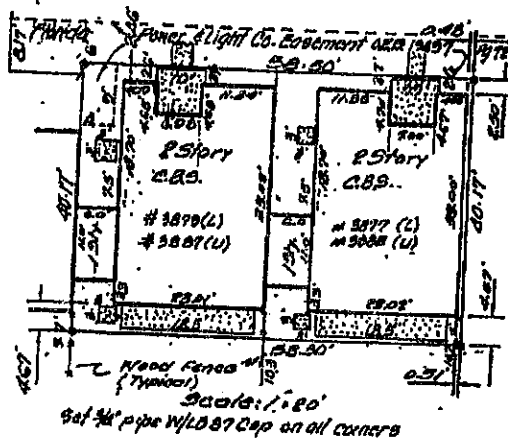


LEGAL DESCRIPTION

Lots 1 and 2, Block 43, TWIN FOUNTAINS PHASE TWO, as recorded in Plat Book 150 at Page 17 of the Public Records of Broward County, Florida.

COLONY COURTS TWO CONDOMINIUM
NO. 43, A CONDOMINIUM
EXHIBIT "3" TO THE DECLARATION OF CONDOMINIUM

Sheet 2 of 5 Sheets



NOTES:

1. This survey has been prepared for the exclusive use of the entity (or entities) named hereon. The certification hereon does not extend to any unnamed party.
2. Unless otherwise noted, this firm has not attempted to locate underground utilities, footings and/or foundations.
3. This survey is subject to easements, rights-of-way, and other matters which might be reflected in a search of title to the subject lands.

Type of Survey: Boundary
Prepared For: Lennar North Division

Source of Legal Description: Plat/Client
Basis of Bearing System: Plat

Valid copies of this survey will bear the embossed seal of the attesting land surveyor.

I HEREBY CERTIFY that this "Sketch of Survey" of the property described hereon is true and correct to the best of my knowledge and belief as recently surveyed and drawn under my supervision. This survey complies with the Minimum Technical Standards adopted by the Florida State Board of Land Surveyors, pursuant to Chapter 21 HR-6, Florida Administrative Code.

Alonso T. Raynor 3-12-93
Alonso T. Raynor, Vice President
Professional Land Surveyor #2265
State of Florida

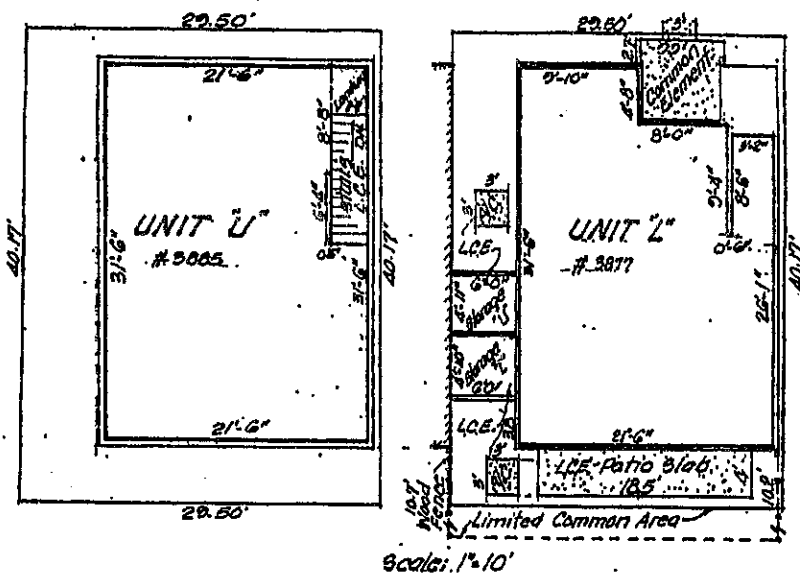


SCHWEBKE-SHISKIN & ASSOCIATES INC.
LAND SURVEYORS-ENGINEERS-LAND PLANNERS
3240 CORPORATE WAY, MIRAMAR, FL. 33025
BROWARD 435-7010 DADE 652-7010 FAX 652-8284

Order No. 641022
Book No. 321210 Pg. 34

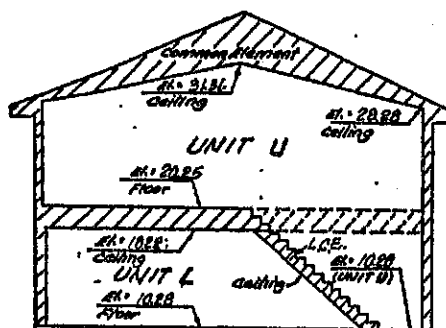
Date 3-22-92

#661859 Final 3-12-93
#661354 11-2-92



BUILDING 43-1

LCE Denotes "Limited Common Element."



VERTICAL LIMITS OF UNIT BOUNDARIES
(NOT TO SCALE)

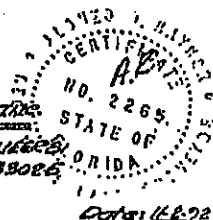
GRAPHIC DESCRIPTION

COLONY COURTS TWO CONDOMINIUM
No. 43, A CONDOMINIUM
EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM
Sheet 3 of 5 Sheets

Prepared By

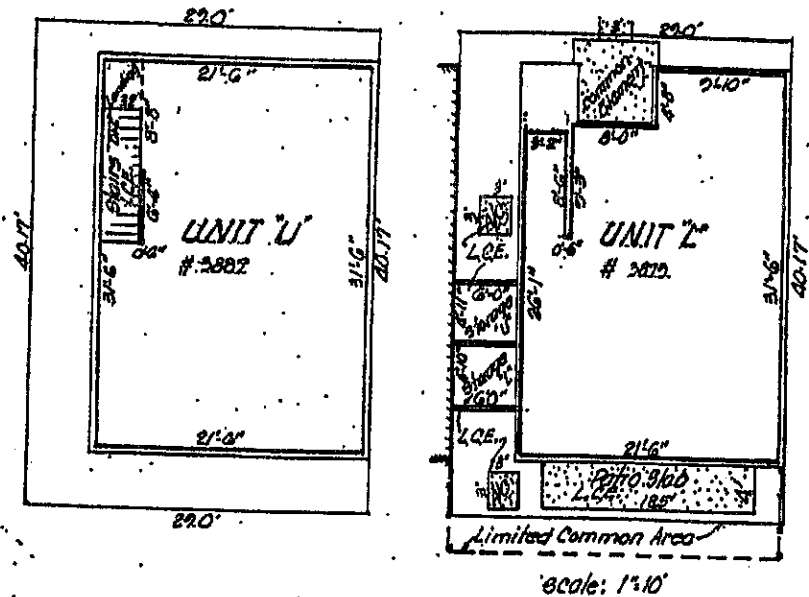
SCHNEIDER-SHIBANI & ASSOCIATES, INC.
LAND SURVEYORS-ARCHITECTS-ENGINEERS
3840 Corporate Way, Miramar, FL 33086

Order No. 641854
REV. 641857 3-12-98 Final



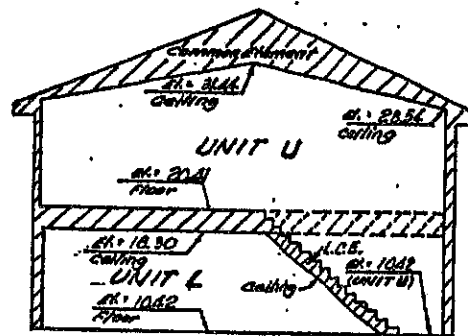
Date: 12-22

BK2045960629



BUILDING 43-2

L.C.E. Denotes "Limited Common Element"



VERTICAL LIMITS OF UNIT BOUNDARIES
(NOT TO SCALE)

GRAPHIC DESCRIPTION

COLONY COURTS TWO CONDOMINIUM
No. 43, A CONDOMINIUM
EXHIBIT 3 TO THE DECLARATION OF CONDOMINIUM

Sheet 4 of 5 sheets

Prepared By

SCHNEIDER-SHIBKIN & ASSOCIATES, INC.
LAND SURVEYORS, ARCHITECTS, ENGINEERS
3840 Corporate Way, Miramar, FL 33025

Order No. 641554
Rev. 641857

8-18-98 Final

Date: 11-2-98

BK20459P6U638

**COLONY COURTS TWO CONDOMINIUM
No. 43, A CONDOMINIUM
EXHIBIT "3" TO THE DECLARATION OF CONDOMINIUM**

GENERAL NOTATIONS

Sheet 5 of 5 Sheets

1. Each condominium unit shall have as its boundaries the interior unfinished surfaces of the ceiling, floor, and/or stairways and perimeter walls and any supporting columns and/or beams located within the unit.
2. Each unit shall have as an appurtenance thereto an undivided share of the common element as the same are described and set forth in the Declaration of Condominium and in the instruments referred to therein. This condominium is created under a declaration hereof as provided for by Chapter 718, Florida Statutes, The Condominium Act.
3. Elevations as shown herein refer to National Geodetic Vertical Datum.
4. Dimensions and elevations shown herein are subject to normal construction tolerances.

DESCRIPTION OF COMMON ELEMENTS:

1. All land and all portions of this survey plot plan and graphic descriptions not within any unit or units are part of the common element. All bearing walls, beams and partition walls common to the condominium units constitute part of the common element to the unfinished surfaces of said walls and/or beams.
2. All utility service, lines and piping other than those located exclusively within a unit and servicing only such unit, constitute part of the common elements.

DESCRIPTION OF LIMITED COMMON ELEMENT:

1. The ground level storage sheds stairs to the upper unit and air conditioner condenser units shall be limited common elements reserved for the use of the upper and lower units. That portion of the lot lying within the limits of the outer building lines extended to an intersection with the rear lot line and any part of concrete slabs, patios or fences thereon shall be a limited common element reserved for the enjoyment of the lower unit contiguous thereto, together with the limited common area described herein.

DESCRIPTION OF LIMITED COMMON AREA:

2. That portion of adjoining land, beyond the rear lot line including any fences thereon, and lying within the limits of the outer building lines of the building on the subject lot extended to an imaginary line connecting the further most ends of fences.

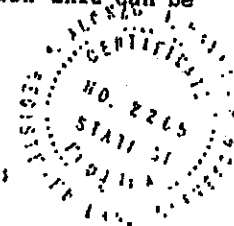
SURVEYOR'S CERTIFICATE:

The undersigned, a surveyor, duly authorized to practice under the laws of the State of Florida, hereby certifies that: The construction of the improvements is substantially complete so that the materials which comprise this, Exhibit 3 together with the provisions of the Declaration of Condominium of COLONY COURTS TWO CONDOMINIUM NO. 43, A CONDOMINIUM describing the condominium property, is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the common elements and of each unit can be determined from these materials.

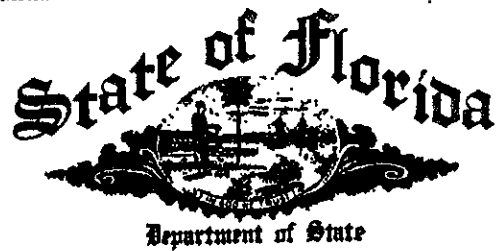
SCHWEBKE-SHISKIN & ASSOCIATES, INC.

Signed this 12th day of March 1998.

By: Alonzo R. Raynor
Alonzo R. Raynor, Vice President
Professional Land Surveyor #2265
State of Florida



BK20459660631



I certify that the attached is a true and correct copy of the Articles of Incorporation of COLONY COURTS TWO CONDOMINIUM ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on October 18, 1991, as shown by the records of this office.

The document number of this corporation is N45875.

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this 18th day of October, 1991.



CR28022 (2-91)

Jim Smith

Jim Smith
Secretary of State

BK2045980632

ARTICLES OF INCORPORATION

FOR

COLONY COURTS TWO CONDOMINIUM ASSOCIATION, INC.

FILED

91 OCT 18 PM 2:33

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Chapter 617, Florida Statutes, I, the undersigned natural person competent to contract, acting as incorporator of a corporation not-for-profit, hereby adopt the following Articles of Incorporation.

ARTICLE 1

NAME

The name of the corporation shall be COLONY COURTS TWO CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE 2

PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office and mailing address of the Association is located at 700 N. W. 107 Avenue, Miami, Florida 33172.

ARTICLE 3

DEFINITIONS

The terms used in these Articles shall have the same definitions and meaning as those set forth in the Declaration of the Condominium to be recorded in the Public Records of Broward County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE 4

POWERS

The powers of the Association shall include and be governed by the following:

- 4.1 General. The Association shall have all of the common-law and statutory powers of a corporation not for profit under the laws of Florida that are not in conflict with the provisions of these Articles, the Declaration, the By-Laws or the Act.
- 4.2 Enumeration: The Association shall have all of the powers and duties reasonably necessary to operate the Condominium pursuant to the Declaration and as more particularly described in the By-Laws, as they may be amended from time to time, including, but not limited to, the following:
 - (a) To make and collect assessments and other charges against members as Unit Owners, and to use the proceeds thereof in the exercise of its powers and duties.
 - (b) To buy, own, operate, lease, sell, trade and mortgage both real and personal property as may be necessary or convenient in the administration of the Condominium.
 - (c) To maintain, repair, replace, reconstruct, add to and operate the Condominium Property, and other property acquired or leased by the Association for use by Unit Owners.

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- (d) To purchase insurance upon the Condominium Property and insurance for the protection of the Association, its officers, directors and members as Unit Owners.
 - (e) To make and amend reasonable rules and regulations for the maintenance, conservation and use of the Condominium Property and for the health, comfort, safety and welfare of the Unit Owners.
 - (f) To approve or disapprove the leasing, transfer, mortgaging, ownership and possession of Units as may be provided by the Declaration.
 - (g) To enforce by legal means the provisions of the Act, the Declaration, these Articles, the By-Laws, and the rules and regulations for the use of the Condominium Property.
 - (h) To contract for the management and maintenance of the Condominium Property and to authorize a management agent (which may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Condominium Act, including but not limited to the making of Assessments, promulgations of rules and execution of contracts on behalf of the Association.
 - (i) To employ personnel to perform the services required for the proper operation of the Condominium.
- 4.3 Condominium Property. All funds and the titles of all properties acquired by the Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles and the By-Laws.
- 4.4 Distribution of Income, Dissolution. The Association shall make no distribution of income to its members, directors or officers, and upon dissolution, all assets of the Association shall be transferred only to another non-profit corporation or a public agency.
- 4.5 Limitation: The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration, the By-Laws and the Act.

ARTICLE 5

MEMBERS

- 5.1 Membership: The members of the Association shall consist of all of the record owners of Units in the Condominium from time to time, and after termination of the Condominium shall consist of those who were members at the time of such termination, and their successors and assigns.

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- 5.2 Assignment: The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit for which that share is held.
- 5.3 Voting: On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Unit, which vote shall be exercised or cast in the manner provided by the Declaration and By-Laws. Any person or entity owning more than one Unit shall be entitled to one vote for each Unit owned.
- 5.4 Meetings: The By-Laws shall provide for an annual meeting of members, and may make provision for regular and special meeting of members other than the annual meeting.

ARTICLE 6TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE 7INCORPORATOR

The name and address of the incorporator to these Articles is as follows:

NAMEADDRESS

Morris J. Watsky

700 N. W. 107 Avenue
Miami, Florida 33172

ARTICLE 8OFFICERS

The affairs of the Association shall be administered by the officers holding the offices designated in the By-Laws. The officers shall be elected by the Board of Directors of the Association at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The By-Laws may provide for the removal from office of officers, for filling vacancies and for the duties of the officers. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

PRESIDENT:

John Milburn

VICE PRESIDENT:

Wayne McClain

SECRETARY/TREASURER:

Marlene Schrager

ARTICLE 9DIRECTORS

- 9.1 Number and Qualification. The property, business and affairs of the Association shall be managed by a Board consisting of the number of directors determined in the manner provided by the By-Laws but which shall consist of not less than three (3) directors. Directors need not be members of the Association or residents of Units in the Condominium.

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- 9.2 Duties and Powers. All of the duties and powers of the Association existing under the Act, the Declaration, these Articles and the By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Unit Owners when such approval is specifically required.
- 9.3 Election; Removal. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by and subject to the qualifications set forth in the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.
- 9.4 Term of Developer's Directors: The Developer of the Condominium shall appoint the members of the first Board of Directors and their replacements who shall hold office for the periods described in the By-Laws.
- 9.5 First Directors. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, as provided in the By-Laws, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Marlene Schrager	8320 N.W. 27 Place Sunrise, Florida 33322
Wayne McClain	8320 N.W. 27 Place Sunrise, Florida 33322
John Milburn	8320 N.W. 27 Place Sunrise, Florida 33322

ARTICLE 10

INDEMNIFICATION

- 10.1 Indemnity: The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, officer or agent of the Association, against expenses including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceedings, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

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- 10.2 Expenses. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.
- 10.3 Approval. Any indemnification under Section 10.1 above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the directors, officer, employee or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Section 10.1 above. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or by a majority of the members.
- 10.4 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in any specific case upon receipt of an undertaking by or on behalf of the affected director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article 10.
- 10.5 Miscellaneous: The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.
- 10.6 Insurance: The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE 11

BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded by the Directors, members and the Developer in the manner provided in the By-Laws and the Declaration.

ARTICLE 12

AMENDMENTS

Amendments to these Articles shall be proposed and adopted in the following manner:

- 12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

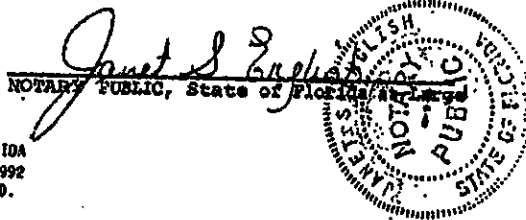
EX-20459930637

STATE OF FLORIDA :
COUNTY OF DADE :

The foregoing instrument was acknowledged before me this 17th day
of October, 1991, by Morris J. Watsky, the Subscriber to Colony Courts
Two Condominium Association, Inc.

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. AUG. 10, 1992
BONDED THRU GENERAL INS. UND.



BK20459F60639

12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing the approval is delivered to the Secretary at or prior to the meeting. The approvals must be:

- (a) by not less than a majority of the votes of all of the members of the Association represented at a meeting at which a quorum thereof has been attained and by not less than 66-2/3% of the entire Board of Directors; or
- (b) by not less than 80% of the votes of all of the members of the Association represented at a meeting at which a quorum has been attained; or
- (c) by not less than 100% of the entire Board of Directors.

12.3 Limitation. Provided, however, that no amendment shall make any changes in the qualifications of membership nor in the voting rights or property rights of members, nor any changes in Section 4.3 and 4.5 of Article 4, entitled "Powers", without the approval in writing of all members and the joinder of all record owners of mortgages upon Units. No amendment shall be made that is in conflict with the Act, the Declaration or the By-Laws, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the amendment.

12.4 Application to Developer. The Developer may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Developer alone; provided, however, so long as the Developer is in control of the Association, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Elements, and amendment of the Articles.

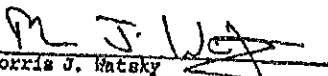
12.5 Recording. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the Public Records of Broward County, Florida.

ARTICLE 13

INITIAL REGISTERED OFFICE, ADDRESS AND NAME OF REGISTERED AGENT

The initial registered office of the corporation shall be at 700 N.W. 107th Avenue, Miami, Florida 33172, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be MORRIS J. WATSKY.

IN WITNESS WHEREOF, the subscriber has affixed his signature this 17th day of October, 1991.


Morris J. Watsky

BK20459EG0638

CERTIFICATE DESIGNATING PLACE OF BUSINESS FOR SERVICE OF PROCESS WITHIN
THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED.

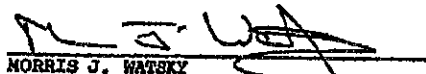
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Chapter 48.091, Florida Statutes, the following is
submitted in compliance with said Act:

That, COLONY COURTS TWO CONDOMINIUM ASSOCIATION, INC., desiring to
organize under the laws of the State of Florida, with its principal
offices at 700 N.W. 107th Avenue, Miami, Florida 33172, has named MORRIS
J. WATSKY, whose office is located at 700 N.W. 107th Avenue, Miami,
Florida, as its agent to accept service of process within the State.

ACKNOWLEDGMENT

Having been named to accept service of process for the above stated
corporation, at the place designated in this Certificate, I hereby
accept to act in this capacity, and agree to comply with the provisions
of said Act relative to keeping open said office.


MORRIS J. WATSKY

BK20459EG0640

BY-LAWS

OF

COLONY COURTS TWO CONDOMINIUM ASSOCIATION, INC.

A Corporation not for profit organized
under the laws of the State of Florida

1. Identity. These are the By-Laws of COLONY COURTS TWO CONDOMINIUM ASSOCIATION, INC. (the "Association"), a corporation not for profit, incorporated under the laws of the State of Florida and organized for the purpose of administering certain condominiums located in Broward County, Florida, and known as COLONY COURTS TWO CONDOMINIUM NO. 43 (the "Condominium").
 - 1.1 Principal Office. The principal office of the Association shall be 700 N.W. 107th Avenue, Miami, Florida, 33172, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office.
 - 1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.
 - 1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. Definitions. For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these By-Laws shall have the same definition and meaning as those set forth in the Declaration for the Condominium, unless herein provided to the contrary, or unless the context otherwise requires.
3. Members.
 - 3.1 Annual Meeting. The annual members' meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than thirteen (13) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting sent to Unit Owners in advance thereof.
 - 3.2 Special Meetings. Special members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Additionally, special members' meetings may be called by ten (10%) percent of the Unit Owners to recall a member or members of the Board of Directors, which meetings shall be called and held in accordance with the terms and provisions of the Act.
 - 3.3 Notice of Meeting; Waiver of Notice. Notice of a meeting of members stating the time and place, and identifying and incorporating the agenda items for which the meeting is called, must be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on the Condominium Property or Association Property. The Board must adopt a rule designating the specific location on the Condominium Property or Association Property, upon which all Unit Owner meetings will be posted.

8K20459P6064.1

However, this requirement does not apply if there is no Condominium Property or Association Property. The notice of the annual meeting shall be sent by mail to each Unit Owner, unless the Unit Owner waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The posting and mailing of the notice shall be effected not less than fourteen (14) nor more than sixty (60) days prior to the date of the meeting, and shall be for fourteen (14) continuous days. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notice of the Association meeting was mailed or hand delivered in accordance with this provision, to each Unit Owner at the address last furnished to the Association.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

- 3.4 Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to thirty three and one-third percent (33-1/3%) of the voting interests of the entire membership. If any proposed meeting cannot be organized because a quorum has not been attained, (notwithstanding anything contained herein to the contrary) at such new meeting or meetings the presence either in person or by proxy of persons entitled to cast 33 1/3% of the voting interests of the entire membership shall constitute a quorum at such new meeting or meetings. At such new meeting or meetings, if necessary, at which a quorum exists any business may be transacted which might have been transacted at the meeting originally called. For the purposes of establishing a quorum at any Association meeting only the Voting Interests present or by proxy shall be counted. The written joinder of any Unit Owner may not be utilized to establish a quorum. Notwithstanding the above, there shall be no quorum requirements; however, at least twenty (20%) percent of the eligible voters must cast a ballot in order to have a valid election of Directors.

3.5 Voting.

- (a) Number of Votes. Except if the vote is to be determined by a percentage of shares of ownership in the Condominium (as may be contemplated in specific portions of the Declaration), in any meeting of members, the Owners of Units shall be entitled to cast one vote for each Unit owned. The vote of a Unit shall not be divisible.
- (b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Unit Owners for all purposes except where otherwise provided by law, the Declaration, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Declaration, the terms "majority of the Unit Owners" and "majority of the members" shall mean a majority of the votes of Unit Owners and not a majority of members themselves and shall further mean more than fifty (50%) percent of the then total authorized votes present in person or by proxy and voting at any meeting of the Unit Owners at which a quorum shall have been attained. Similarly, if some greater percentage of members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of members and not of the members themselves.
- (c) Voting Member. If a Unit is owned by one person, his right to vote shall be established by the roster of members. If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a

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certificate signed by all of the record owners of the Unit according to the roster of Unit Owners and filed with the Secretary of the Association. Such person need not be a Unit Owner, nor one of the joint owners. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an appropriate officer of the corporation and filed with the Secretary of the Association. Such person need not be a Unit Owner. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote for a Unit may be revoked if by a record owner of an undivided interest in the Unit. If a certificate designating the person entitled to cast the vote for a Unit for which such certificate is required is not on file or has been revoked, the vote of the Owner(s) of such Unit shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed, except if the Unit is owned jointly by a husband and wife, they may, without being required to do so, designate a voting member in the manner provided above. Such designees need not be a Unit Owner. In the event a husband and wife do not designate a voting member, the following provisions shall apply:

- (i) If both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting, and their vote shall not be considered in determining whether a quorum is present on that subject at the meeting (and the total number of authorized votes in the Association shall be reduced accordingly for such subject only).
- (ii) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the Unit vote just as though he or she owned the Unit individually, and without establishing the concurrence of the absent person.
- (iii) If both are present at a meeting and concur, either one may cast the Unit vote.

3.6 Proxies. Votes may be cast in person or by use of a limited proxy. A limited proxy may be made by any person entitled to vote, but shall only be valid for the limited purpose set forth therein and for the specific meeting for which originally given and any lawful adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. A limited proxy cannot be used to vote in the election of Directors unless otherwise provided for in Chapter 718, Florida Statutes. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be in writing, signed by the person authorized to cast the vote for the Unit (as above described), specify the date, time and place of the meeting for which it is given and be filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Holders of proxies need not be Unit Owners. The form of limited proxy shall substantially conform with a form to be adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes ("Division").

3.7 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a reduced quorum as provided in §3.4 hereof is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. The notice of the newly scheduled meeting shall provide

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for among other things, that the quorum requirement has been reduced; and that a quorum shall be attained by the presence either in person or by proxy of persons entitled to cast 33-1/3% of the votes of the entire membership. Proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

3.8 Order of Business. If a quorum has been attained, the order of business at annual members' meetings, and, if applicable, at other members' meetings, shall be:

- (a) Call to order by President;
- (b) Appointment by the President of a chairman of the meeting (who need not be a member or a director);
- (c) Proof of notice of the meeting or waiver of notice;
- (d) Reading of minutes;
- (e) Reports of officers;
- (f) Reports of committees;
- (g) Appointment of inspectors of election;
- (h) Determination of number of Directors;
- (i) Election of Directors;
- (j) Unfinished business;
- (k) New business;
- (l) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

3.9 Minutes of Meeting. The minutes of all meetings of Unit Owners shall be kept in a book available for inspection by Unit Owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

3.10 Participation at Meetings. Unit Owners shall have a right to speak at all Owner meetings as to all agenda items. The Board shall adopt reasonable rules governing the frequency, duration and manner of Unit Owner participation. Unit Owners shall have the right to tape, record or videotape an Owner's meeting.

3.11 Action Without a Meeting. With the exception of a special meeting called for the purpose of adopting a budget for the Association which requires assessments against the unit owners in any fiscal or calendar year which exceed 115 percent of the assessments for the preceding year, any action which may be taken at a special meeting of the members may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken shall be signed by the members (or persons authorized to cast the vote of any such member as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to approve such matters. Within ten (10) days after obtaining such authorization by written consent, notice must be given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

4. Directors.

4.1 Membership. The affairs of the Association shall be governed by a Board of not less than three (3) nor more than five (5) directors, the exact number to be determined in the first instance in

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the Articles and thereafter, except as provided herein, from time to time, upon majority vote of the membership. Directors need not be Unit Owners.

4.2 Election of Directors. The election of Directors shall be conducted in the following manner:

- (a) Election of Directors shall be held at the annual members' meeting or if not at the annual members' meeting, then the same day as the annual members' meeting except as provided herein to the contrary.
- (b) If there is only one candidate for election to fill a vacancy, no election is required.
- (c) The regular annual elections, as well as elections to fill vacancies, shall be by written ballot or voting machine and by a plurality of the votes cast, each person voting shall be entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. There shall be no quorum requirement; however, at least 20% of the eligible voters must cast a ballot in order to have a valid election of Directors. Notwithstanding the provisions of this subparagraph, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board of Directors.
- (d) Notwithstanding anything to the contrary set forth in this Section 4.2, the procedure for the election of Directors shall be in accordance with Rule 7D-23.0021, Florida Administrative Code, except that if the Association consists of 25 or fewer units, it may, by a two-thirds vote of the Unit Owners, amend these By-Laws to provide for a different voting and election procedure, which vote may be by a proxy specifically delineating the different voting and election procedures.

4.3 Notice of Meeting to Elect Directors shall be given in two steps as follows:

- (a) First Notice. Not less than 60 days before the scheduled election, the Association must send notice to each Unit Owner of the date of election. Not less than 40 days prior to the election, eligible candidates must give notice to the Association of his or her desire to run for the Board in order to be placed on the ballot. A candidate may furnish the Association with an information sheet. The Board shall hold a meeting within five (5) days after the deadline for a candidate to provide notice to the Association of his or her intent to run. At this meeting, the Board shall accept additional nominations. Any Unit Owner or other eligible person may nominate himself, or may nominate another Unit Owner or eligible person, so long as he/she has permission in writing to nominate the other person.
- (b) Second Notice. Not less than 30 days before the scheduled election, the Association must send a notice to all owners reminding them of the election, together with a ballot listing all eligible candidates and, upon the request of a candidate, the Association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election.
- (c) Notwithstanding anything to the contrary set forth in this Section 4.3, the procedure for giving notice for the election of Directors shall be in accordance with Rule 7D-23.0021, Florida Administrative Code.

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4.4 Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors, provided that all vacancies in directorships to which Directors were appointed by the Developer pursuant to the provisions of §4.17 hereof shall be filled by the Developer without the necessity of any meeting.
- (b) Any Director elected by the Unit Owners other than the Developer shall be subject to recall only by the Unit Owners other than the Developer. Voting interests owned or controlled by the Developer shall not vote in such recall, whether in person or by proxy. For the purposes of establishing percentages of voting interests, and for establishing a quorum, only units owned by Unit Owners other than Developer shall be counted.
- (c) Directors elected or appointed by Developer shall be subject to recall only by Developer. Voting interests owned or controlled by Unit Owners other than Developer shall not vote in such recall, whether in person or by proxy. For the purposes of establishing percentages of voting interests and for establishing a quorum, only units owned by Developer shall be counted.
- (d) Developer only may vote to fill a vacancy on the Board of Directors previously occupied by a Board member elected or appointed by Developer. Only Unit Owners other than Developer may vote to fill a vacancy on the Board previously occupied by a Board member elected or appointed by Unit Owners other than Developer.
- (e) Subject to the provisions of the Act and Section 4.17 of these By-Laws, any member of the Board may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests of the members eligible to vote as set forth above. A special meeting of the Unit Owners to recall a member or members of the Board may be called by ten (10%) percent of the voting interests eligible to vote as set forth above giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting.
 - (i) If the recall is approved by a majority of all eligible voting interests by a vote at a meeting, the recall shall be effective immediately, and the recalled member or members of the Board shall turn over to the Board any and all records of the Association in his or their possession, within 72 hours after the meeting.
 - (ii) If the proposed recall is by an agreement in writing by a majority of all eligible voting interests, the agreement in writing shall be served on the Association by certified mail. The Board shall call a meeting of the Board within 72 hours after receipt of the agreement in writing and shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the Board, within 72 hours, any and all records of the Association in his or their possession, or proceed as described in subparagraph (iii) below.
 - (iii) If the Board determines not to certify the written agreement to recall a member or members of the Board, or if the recall by a vote at a meeting is disputed, the Board shall, within 72 hours, file with the Division a petition for binding arbitration pursuant to the procedures of the Act. For purposes of this Section 4.4(e),

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the eligible Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the recall shall be effective upon service of the final order of arbitration upon the Association. If the Association fails to comply with the order of the arbitrator, the Division may take appropriate action pursuant to the Act. Any member or members so recalled shall deliver to the Board any and all records of the Association in his or their possession within 72 hours of the effective date of the recall.

- (2) Notwithstanding anything to the contrary set forth in this Section 4.4, the procedure for filling vacancies or removing Directors shall be in accordance with Rule 7D-23.0021 of the Florida Administrative Code, except where a vacancy occurs on the Board of Directors as a result of a recall and less than a majority of the Directors are removed, in which instance the vacancy may be filled by the affirmative vote of a majority of the remaining Directors.

4.5 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided.

4.6 Organizational Meeting. The organizational meeting of newly-elected or appointed members of the Board of Directors shall be held within ten (10) days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed, and no further notice to the Board of the organizational meeting shall be necessary.

4.7 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Regular meetings of the Board of Directors shall be open to all Unit Owners and notice of such meetings shall be posted conspicuously on the Condominium Property for at least forty-eight (48) continuous hours in advance for the attention of the members of the Association except in the event of an emergency. Upon notice to Owners given by mail or personally to each Owner, the Board of Directors shall adopt a rule designating a specific location on the Condominium Property upon which all notices of Board of Directors meetings, both regular and special, shall be posted.

Notwithstanding the above, at any meeting at which there will be considered (i) non-emergency special assessments, or (ii) amendments to rules regarding unit use, additional notice must be mailed or hand delivered to each Owner as well as posted conspicuously on the Condominium Property not less than fourteen (14) days prior to the meeting. The Association Secretary shall sign an affidavit attesting to the mailing and posting of this additional notice; no other person is qualified to sign this affidavit, which shall be placed in the official records of the Association. All notices for a regular meeting must specifically incorporate an identification of agenda items. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the Directors. Such emergency action shall be noticed and ratified at the next regular meeting of the Board of Directors.

4.8 Special Meetings. Special meetings of the Directors may be called by the President and must be called by the President or Secretary at the written request of one-third (1/3) of the Directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place

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and specifically identify the agenda items of the meeting and shall be transmitted not less than three (3) days prior to the meeting. Special meetings of the Board of Directors shall be open to all Unit Owners and notice of a special meeting shall be posted conspicuously on the Condominium Property or Association Property for at least forty-eight (48) continuous hours in advance for the attention of the members of the Association except in the event of an emergency. If there is no Condominium Property or Association Property upon which notices can be posted, notice of Board of Directors meeting shall be mailed or delivered at least 14 days before the meeting to the Owner of each Unit.

Notwithstanding the above, at any meeting at which there will be considered (i) non-emergency special assessments, or (ii) amendments to rules regarding unit use, additional notice must be mailed or hand delivered to each Owner as well as posted conspicuously on the Condominium Property not less than fourteen (14) days prior to the meeting. The person providing the notice shall sign an affidavit attesting to the mailing and posting of this additional notice; no other person is qualified to sign this affidavit, which shall be placed in the official records of the Association. All notices for a special meeting must specifically incorporate an identification of agenda items.

- 4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to be due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.
- 4.10 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these By-Laws.
- 4.11 Adjourned Meetings. If at any proposed meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.
- 4.12 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting.
- 4.13 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside). In the absence of the presiding officer, the Directors present may designate any person to preside.
- 4.14 Order of Business. If a quorum has been attained, the order of business at Director's meetings shall be:
- (a) Proof of due notice of meeting;
 - (b) Reading and disposal of any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;
 - (f) New business;

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(g) Adjournment.

Such order may be waived in whole or in part by direction of the presiding officer.

4.15 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

4.16 Executive Committee; Other Committees. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Directors. Such Executive Committee shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Condominium during the period between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Expenses required for the affairs of the Condominium, (b) to determine the Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium, (c) to adopt or amend any rules and regulations covering the details of the operation and use of the Condominium Property, or (d) to exercise any of the powers set forth in paragraph (g) and (p) of Section 5 below.

The Board or a member of the Board may also create a committee and appoint Board Members and/or Unit Owners to such committee and invest in such committee such powers and responsibilities as the Board shall deem advisable to make recommendations to the Board regarding the Association Budget or to take action on behalf of the Board.

Committee meetings at which a quorum is present shall be open to Unit Owners and notice of such meeting shall be given just as is given for a meeting of the Board.

4.17 Proviso. Notwithstanding anything to the contrary contained in this Section 4 otherwise, the Board shall consist of three (3) directors during the period that the Developer is entitled to appoint a majority of the directors, as hereinafter provided. The Developer shall have the right to appoint all of the members of the Board of Directors until Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association, the Unit Owner other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors (a) three (3) years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to Purchasers, (b) three (3) months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to Purchasers, (c) when all of the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business, (d) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or (e) seven (7) years after closing of title to the first Unit that will be operated ultimately by the Association, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business five (5%) percent of the Units that will be operated ultimately by the Association.

The Developer may turn over control of the Association to Unit Owners other than the Developer prior to such dates in its sole discretion by causing all of its appointed Directors to resign,

whereupon it shall the affirmative obligation of Unit Owners other than the Developer to elect Directors and assume control of the Association. Provided at least thirty (30) days' notice of Developer's decision to cause its appointees to resign is given to Unit Owners, neither the Developer nor such appointees shall be liable in any manner in connection with such resignations even if the Unit Owners other than the Developer refuse or fail to assume control.

Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors, or if the Developer has elected to accelerate such events aforesaid, the Association shall call, and give proper notice as set forth in Section 4.3 hereof, of a meeting of the Unit Owners to elect such member or members of the Board of Directors. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

Within a reasonable time after Unit Owners other than the Developer elect a majority of the members of the Board of Directors of the Association (but not more than sixty (60) days after such event), Developer shall relinquish control of the Association and shall deliver to the Association all property of the Unit Owners and of the Association held by or controlled by the Developer, including but not limited to the following items, if applicable:

- (a) The original or a photo copy of the recorded Declaration of Condominium and all amendments thereto. If a photo copy is provided, the Developer must certify by affidavit that it is a complete copy of the actual recorded Declaration;
- (b) A certified copy of the Articles of Incorporation for the Association;
- (c) A copy of the By-Laws of the Association;
- (d) The Minute Books, including all minutes, and other books and records of the Association;
- (e) Any rules and regulations which have been adopted;
- (f) Resignations of resigning officers and Board members who were appointed by the Developer;
- (g) The financial records, including financial statements of the Association, and source documents since the incorporation of the Association through the date Developer relinquishes control of the Association. The records shall be reviewed by an independent certified public accountant. The minimum report required shall be an audit in accordance with generally accepted accounting standards as defined by rule by the Board of Accounting. The accountant performing the audit shall examine to the extent necessary supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for Association purposes, and billings, cash receipts and related records to determine that the Developer was charged and paid the proper amounts of assessments. The audit shall be for the period in which Developer controlled the Association, but may start from the ending date of an earlier audit. The audit shall be delivered on or before ninety (90) days after turnover of control of the Association.
- (h) Association Funds or the control thereof;
- (i) All tangible personal property that is the property of the Association or is or was represented by the Developer to be part of the Common Elements or is ostensibly part of the Common Elements, and an inventory of such property;
- (j) A copy of the plans and specifications utilized in the construction or remodeling of Improvements and the supplying

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of equipment, and for the construction and installation of all mechanical components servicing the Improvements and the Condominium Property, with a Certificate, in affidavit form, of an officer of the Developer or an architect or engineer authorized to practice in Florida, that such plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Condominium Property and the construction and installation of the mechanical components servicing the Improvements and the Condominium Property;

- (k) Insurance policies;
- (l) Copies of any Certificates of Occupancy which may have been issued for the Condominium Property;
- (m) Any other permits issued by governmental bodies applicable to the Condominium Property in force or issued within one (1) year prior to the date the Unit Owners take control of the Association;
- (n) All written warranties of contractors, subcontractors, supplies and manufacturers, if any, that are still effective;
- (o) A roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Developer's records;
- (p) Leases of the Common Elements and other Leases to which the Association is a party, if applicable;
- (q) Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Unit Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service; and
- (r) All other contracts to which the Association is a party.

4.18 Attendance. A Director who is present at any Director's meeting at which action on any corporate 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.

4.19 Voting. A Director may not vote by Proxy and there shall be no secret ballot voting by Directors at a Board of Directors meeting, except that officers may be elected by secret ballot. The minutes of the meeting must reflect each Board Member's vote or abstention.

4.20 Action Without a Meeting. Anything to the contrary herein notwithstanding, and to the extent lawful, any action required to be taken at a meeting of Directors or a committee thereof, may be taken without a meeting if a consent in writing setting forth the action so to be taken signed by all of the Directors or all of the members of the committee, as the case may be, is filed in the minutes of the proceedings of the Board or of the committee. Such consent shall have the same effect as a unanimous vote. No prior notice of such intended action shall be required to be given to the Directors or to the Unit Owners. Notice of the taking of such action pursuant hereto shall, however, be posted conspicuously on the Condominium Property for the attention of Owners after such action shall have been effected. Such notice shall fairly summarize the material features of the action so taken.

4.21 Owners Right. Owners present at a meeting shall have the right to speak with reference to all designated agenda items subject to any reasonable rules adopted by the Board of Directors governing the frequency, duration and manner of Owner statements.

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5. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these By-Laws may not be delegated to the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein) the following:
- (a) Operating and maintaining the Common Elements.
 - (b) Determining the expenses required for the operation of the Condominium and the Association.
 - (c) Collecting the Assessments from Unit Owners.
 - (d) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements.
 - (e) Adopting and amending rules and regulations concerning the details of the operation and use of the Condominium Property, subject to a right of the Unit Owners to overrule the Board as provided in Section 13 hereof.
 - (f) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
 - (g) Purchasing, leasing or otherwise acquiring Units or other property in the name of the Association or its designee.
 - (h) Purchasing Units at foreclosure or other judicial sales, in the name of the Association or its designee.
 - (i) Selling, leasing, mortgaging or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association or its designee.
 - (j) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.
 - (k) Obtaining and reviewing insurance for the Condominium Property.
 - (l) Making repairs, additions and improvements to, or alterations of, the Condominium Property, and repairs to and restoration of the Condominium Property in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings or otherwise.
 - (m) Enforcing obligations of the Unit Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper to the sound management of the Condominium.
 - (n) 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.
 - (o) Purchasing or leasing Units for use by resident superintendents.
 - (p) 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 interest in Association 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 By-Laws shall be required for the borrowing of any sum in excess of \$20,000.00. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this subparagraph (p) is not repaid by the Association, a Unit Owner who pays to the creditor such portion

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thereof as his interest in his Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file or which will affect such Unit Owner's Unit.

- (q) Contracting for the management and maintenance of the Condominium Property and authorizing a management agent (which may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, reenforcement of rules and maintenance, repair and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium documents and the Condominium Act, including but not limited to the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (r) At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements for private parties and gatherings and imposing reasonable charges for such private use provided such use is the subject of a lease between the Association and the Unit Owner.
- (s) Initiating or authorizing voluntary mediation or mandatory non-binding arbitration of internal disputes arising from the operation of the Condominium among the Developer, Unit Owners, the Association, their agents and assigns in accordance with Florida Statutes Section 718.1255 or the rules of procedure promulgated by the Department of Business Regulation.
- (t) Imposing a lawful fee in connection with the approval of the transfer, lease, sale or sublease of Units.
- (u) To grant, modify or move any easement, subject to the provisions of the easement, without the joinder of any Unit Owners, if the easement constitutes part of or crosses the Common Elements.
- (v) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws, and in the Florida Condominium Act, (ii) all powers specifically set forth in the Agreement for Deed and exhibits thereto and the Articles and By-Laws of the Master Association with respect to the collection of the Assessments for and on behalf of the Master Association, and (iii) all powers incidental to (a) and (b) above and all other powers a Florida corporation not for profit under Florida Statutes, Chapter 607 and 617 (as they exist on the date hereof and as hereafter renumbered) as applicable, if not inconsistent with the Act.
- (w) Levying Assessments for Common Expenses against Unit Owners for their share of the items in the budget, and/or Special Assessments for Common Expenses for emergencies for the Association and for the Master Association.
- (x) Electing a Delegate, who must be Director to the Master Association who may be pre-emptorily removed at any meeting by concurrence of a majority of all the Directors.
- (y) Maintaining, since the inception of the Association, a copy of each of the following, where applicable, which shall constitute the official records of the Association:
 - (1) The plans, permits, warranties, and other items provided by the Developer pursuant to Section 4.17 of these By-Laws;
 - (2) A photocopy of the recorded Declaration of each condominium operated by the Association and all amendments thereto;
 - (3) A photocopy of the recorded By-Laws of the Association and all amendments thereto;

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- (4) A certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendment thereto;
- (5) A copy of the current rules of the Association;
- (6) A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Unit Owners, which minutes shall be retained for a period of not less than 7 years;
- (7) A current roster of all Unit Owners, their mailing addresses, Unit identifications, Voting Certificates, and if known, telephone numbers;
- (8) All current insurance policies of the Association and condominiums operated by the Association;
- (9) 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 Owner's have an obligation or responsibility;
- (10) Bills of sale or transfer for all property owned by the Association;
- (11) Accounting records for the Association and separate accounting records for each condominium it operates, according to good accounting practices. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but are not limited to:
 - (a) Accurate, itemized, and detailed records of all receipts and expenditures;
 - (b) 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, Special Assessment, if any, the amount paid upon the account, and the balance due;
 - (c) All audits, reviews, accounting statements and financial reports of the Association or Condominium;
 - (d) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of 1 year;
- (12) Ballots, sign-in sheets and all other papers relating to voting by Unit Owners, which shall be maintained for a period of 1 year from the date of the election, vote or meeting to which the document relates.
- (13) All rental records where the Association is acting as agent for the rental of Units.
- (14) Minutes of any meeting of the Association or of the Board of Directors shall be available for inspection by Unit Owners, or their authorized representatives, within thirty days after the date of the meeting.
- (z) The Association shall prepare a question and answer sheet as provided in Florida Statute 718.504, which shall be updated annually.

The official records of the Association shall be maintained within the State of Florida, and shall be open to inspection and made available on the Condominium Property or Association Property to any Association member or the authorized representative of such member at all reasonable times, and within five (5) working days after receipt of a written request by the Board or its designee. Failure of the Association to provide the records within ten (10) working days after receipt of a written request shall create a rebuttal presumption that the association willfully failed to comply with

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the Statute. A Unit Owner who is denied access to the official records is entitled to \$50.00 per calendar day up to ten (10) days, the calculation to begin on the 11th day after receipt of the written request. Failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The Association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, By-Laws and Rules, and all amendments to each of the foregoing, as well as the Question and Answer Sheet provided for in F.S. 718.504 on the Condominium property to ensure their availability to Unit Owners and prospective purchasers, and may charge a reasonable fee for its actual costs for preparing and furnishing the documents to those requesting copies. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to Unit Owners:

1. A record which was prepared by an association attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the Association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings.
2. Information obtained by the Association in connection with the approval of the lease, sale or other transfer of a Unit.
3. Medical records of Unit Owners.

If the Association owns, leases, or has reasonable access to a photocopy machine, the Association shall, at the request of any Association member or the authorized representative of such member make photocopies of Association official records as requested by such Association member or the authorized representative of such member. The Association shall not charge any fee to the Unit Owner or his authorized representative in connection with his inspection of the official records except the Association may charge a reasonable fee for the cost of making any copies provided such fee does not exceed 25 cents per page.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Directors and who may be pre-emptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary or Assistant Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Officers need not be Unit Owners.
- 6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.
- 6.3 Vice President. The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of an association and as shall otherwise be prescribed by the Directors.

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- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.
- 6.5 Assistant Secretary. The Assistant Secretary shall exercise the powers and perform the duties of the Secretary in the absence or disability of the Secretary.
- 6.6 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall 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. He shall 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. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.
7. Compensation. Neither Directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, nor preclude contracting with a Director or officer for the management of the Condominium or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.
8. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective.
9. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
- 9.1 Budget.
- (a) Adoption by Board; Items. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium (which shall detail all accounts and items of expenses and contain at least all items set forth in Section 718.504(20) of the Act, if applicable), determine the amount of Assessments payable by the Unit Owners and allocate and assess expenses among the Unit Owners in accordance with the provisions hereof and of the Declaration. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance for any item for which the deferred maintenance expense or replacement cost is greater than \$10,000.00. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. The amount of reserves shall be computed by means of a formula which is based upon estimated life and estimated replacement cost or deferred maintenance expense of each reserve item. Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby.
- (i) Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Unit Owner not

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less than thirty (30) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meetings. The meeting shall be open to Unit Owners.

(ii) Special Membership Meeting. If a budget is adopted by the Board of Directors which requires Assessments against such Unit Owners in any year exceeding one hundred fifteen (115%) percent of such Assessments for the preceding year, as hereinafter defined, upon written application of ten (10%) percent of such Unit Owners, a special meeting of Unit Owners shall be held within thirty (30) days or delivery of such application to the Board of Directors. Each Unit Owner shall be given at least ten (10) days' notice of said meeting. At the special meeting, Unit Owners shall consider and adopt a budget. The adoption of said budget shall require a vote of Owners of not less than a majority of all the Units (including Units owned by the Developer).

(iii) Determination of Budget Amount. In determining whether a budget requires Assessments against Unit Owners in any year exceeding one hundred fifteen (115%) percent of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors in respect of repair or replacement of the Condominium Property or in respect of anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded from such computation Assessments for improvements to the Condominium Property and expenses which are unique to specific Unit Owners.

(iv) Proviso. As long as the Developer is in control of the Board of Directors of the Association, such Board shall not impose an Assessment for a year greater than one hundred fifteen (115%) percent of the prior year's Assessment, as herein defined, without the approval of Unit Owners owning a majority of the Units (including Units owned by the Developer).

(b) Adoption by Membership. In the event that the Board of Directors shall be unable to adopt a budget in accordance with the requirements of subsection 9.1(a) above, the Board of Directors may call a special meeting of Unit Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said subsection, or propose a budget in writing to the members, and if such budget is adopted by such members, upon ratification by a majority of the Board of Directors, it shall become the budget for such year.

9.2 Assessments. Assessments against the Unit Owners for their share of the items of the budget shall be made for the applicable calendar year annually in advance on or before December 20th preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each month (or each quarter at the election of the Board) of the year for which the Assessments are made. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment, and monthly (or quarterly) installments on such Assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual Assessment proves to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors. Unpaid Assessments for the remaining portion of the calendar year for which an amended Assessment is made shall be payable in as many equal installments as there are full months (or quarters) of the calendar year left as of the date of such amended Assessment, each such monthly (or

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quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended Assessment shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

- 9.3 Charges. Charges by the Association against members for other than Common Expenses shall be payable in advance. Charges for other than Common Expenses may be made only after approval of a member or when expressly provided for in the Declaration or the exhibits annexed thereto, as the same may be amended from time to time, which charges may include, without limitation, charges for the use of the Condominium Property or recreation areas, maintenance services furnished at the expense of an Owner, other services furnished for the benefit of an Owner and surcharges, fines and damages and other sums due from such Owner.
- 9.4 Assessments for Emergencies. 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 Assessment.
- 9.5 Depository. The depository of the Association shall be such bank or banks in the County as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from these accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All funds shall be maintained separately in the Association's name. In addition, reserve funds shall be maintained separately from operating funds in separate accounts, except that for the purpose of investment reserve and operation, funds may be co-mingled, but separate ledgers must be maintained for each account. No manager or business entity required to be licensed or registered under Section 469.432, F.S., and no agent, employee, officer or director of the Association shall co-mingle any association funds with its funds or with the funds of any other condominium association or community association.
- 9.6 Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon an Assessment, the Board of Directors may accelerate the remaining installments of the Assessments upon notice to the Unit Owner and the then unpaid balance of the Assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.
- 9.7 Fidelity Bonds. To the extent required by law, fidelity bonds shall be required for directors, officers and other persons who control and disburse funds of the Association.
- (a) Such fidelity bonds shall name the Association as an obligee;
 - (b) The fidelity bonds shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent at any time during the term of such bonds, and will be in an amount of a sum equal to three (3) months' aggregate assessments on all units plus reserve funds or Fifty Thousand Dollars (\$50,000.00), whichever amount is greater;
 - (c) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions.

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- (d) The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Association as a common expense.
- (e) The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Association or Insurance Trustee.
- (f) When required, such bonds shall provide that the FNMA Servicer receive notice of any cancellation or modification of the bonds, on behalf of FNMA.

9.8 Accounting Records and Reports. Written summaries of the records described in Section 5(6y)(11)(a) of these By-Laws, in the form and manner specified below, shall be supplied to each Unit Owner annually.

Within sixty (60) days following the end of the fiscal year, the Board shall mail, or furnish by personal delivery, to each Unit Owner and the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business Regulation, a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Cost for Security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Cost for recreation facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Cost for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) General reserves, maintenance reserves and depreciation reserves.

9.9 Application of Payment. All Assessment payments made by a Unit Owner shall be applied as provided herein and in the Declaration or as determined by the Board.

9.10 Notice of Meetings. Notice of any meeting where Assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments. If "non-emergency" special assessments are to be proposed, discussed or approved, the Association notice shall be both written and posted at least fourteen (14) days prior to said Meeting. The Association Secretary shall sign an affidavit attesting to the mailing and posting of said notice.

10. Roster of Unit Owners. Each Unit Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Unit owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Owners shall produce adequate evidence, as

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provided above, of their interest and shall waive in writing notice of such meeting.

11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles or these By-Laws.

12. Amendments. Except as in the Declaration provided otherwise, these By-Laws may be amended in the following manner:

12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.

12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be:

- (a) by not less than a majority of the votes of all members of the Association represented at a meeting at which a quorum has been attained and by not less than 66-2/3% of the entire Board of Directors; or
- (b) by not less than eighty (80%) percent of the votes of the members of the Association represented at a meeting at which a quorum has been attained; or
- (c) by not less than one hundred (100%) percent of the entire Board of Directors.

12.3 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagees of the Units without the consent of said Developer and mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Declaration.

12.4 Execution and Recording. A copy of each amendment shall be attached to a Certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of the County.

12.5 Procedure. The By-Laws shall not be revised or amended by reference to its title or number only. Proposals to amend the 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 through with hyphens. However, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, underlining and hyphens as indicative of words added or deleted shall not be used, but instead a notation shall be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Law. See By-Law....for present text." Nonmaterial errors or omissions in the by law process shall not invalidate an otherwise properly promulgated amendment.

13. Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations concerning the use of portions of the Condominium. The Board of Directors may, from time to time, modify,

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amend or add to such rules and regulations, except that subsequent to the late control of the Board is turned over by the Developer to Unit Owners other than the Developer, Owners of a majority of the Units represented at a meeting at which a quorum is present may overrule the Board with respect to any such modifications, amendments or additions. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Directors to each affected Unit Owner not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Developer.

14. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.
15. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define or limit the scope of these By-Laws of the intent of any provision hereof.

The foregoing was adopted as the By-Laws of COLONY COURTS TWO CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, on the 28th day of October, 1992.

Paul Hyl

, President

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SCHEDULE A TO BY-LAWS

RULES AND REGULATIONS

FOR

COLONY COURTS TWO CONDOMINIUM ASSOCIATION, INC.

1. The sidewalks, entrances, and like portions of the Common Elements shall not be obstructed nor used for any purpose other than for ingress and egress to and from the Condominium Property; nor shall any carts, bicycles, carriages, chairs, tables or any other similar objects be stored therein.
2. The personal property of Unit Owners must be stored in their respective Units or in storage areas.
3. No garbage cans, supplies, milk bottles or other articles shall be placed on the balconies or other Common Elements. No linens, cloths, clothing, curtains, rugs, mops or laundry of any kind, or other articles, shall be shaken or hung from any of the windows, doors, fences, balconies, terraces or other portions of the Condominium Property.
4. No Unit Owner shall permit anything to fall from a window or door of the Condominium Property, nor sweep or throw from the Condominium Property any dirt or other substance into any of the balconies or upon the Common Elements.
5. All refuse must be deposited with all other refuse in areas designated for such purpose by the Developer.
6. Parking areas are solely for non-commercial automobiles with a current passenger vehicle registration.
7. Employees of the Association are not to be sent out by Unit Owners for personal errands. The Board of Directors shall be solely responsible for directing and supervising employees of the Association.
8. No vehicle which cannot operate on its own power shall remain on the Condominium Property for more than twenty-four (24) hours, and no repair of vehicles shall be made on the Condominium Property.
9. No Unit Owner shall make or permit any disturbing noises in his Unit by himself or his family, servants, employees, agents, visitors or licensees, nor permit any conduct by such persons that will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play or permit to be played any musical instrument, nor operate or permit to be operated a phonograph, television, radio or sound amplifier in his Unit in such a manner as to disturb or annoy other residents. No Unit Owner shall conduct, nor permit to be conducted, vocal or instrumental instruction at any time which disturbs other residents.
10. No radio or television installation may be permitted in any Unit which interferes with the television or radio reception of another Unit.
11. No sign, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, on or upon any part of the condominium property, except signs used or approved by the Association. Additionally, no awning, canopy, shutter or other projection shall be attached to or placed upon the outside walls or roof of the Building or on the Common Elements.
12. The Association may retain a pass key to all Units. If a Unit Owner alters any lock or installs a new lock, the Unit Owner shall provide the Association with an additional key to the altered or newly-installed lock.

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13. Barbecuing shall be permitted only in designated areas.

14. No flammable, combustible or explosive fluids, chemicals or substances shall be kept in any Unit or on the Common Elements, except for use in barbecuing.

15. A Unit Owner who plans to be absent during the hurricane season must prepare his Unit prior to his departure by designating a responsible firm or individual to care for his Unit should the Unit suffer hurricane damage, and furnishing the Association with the name(s) of such firm or individual. Such firm or individual shall be subject to the approval of the Association.

16. Food and beverages may not be consumed outside of a Unit except in designated areas.

17. A Unit Owner shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies or windows of the Building. Curtains and drapes (or linings thereof) which face on exterior windows or glass doors of Units shall be subject to disapproval by the Board, in which case they shall be removed and replaced with acceptable items.

18. No structure of a temporary character, nor trailer, tent, mobile home or recreational vehicle, shall be permitted on the Condominium Property at any time or used on the Condominium Property at any time as a residence either temporarily or permanently. No gas tank, gas container or gas cylinder shall be permitted, except small containers for use in gas barbecues.

19. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted on, upon or in the Condominium Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in the Condominium Property. No derrick or other structure designed for use in boring for oil, natural gas or minerals shall be erected, maintained or permitted upon any portion of the Condominium Property.

20. No trucks or commercial vehicles, campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats or boat trailers or vans shall be permitted to be parked or to be stored at any place on the Condominium Property. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery or other temporary commercial services, nor to any of the Developer's vehicles.

21. The requirements from time to time of any governmental agency for disposal or collection shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

22. No air-conditioning units may be installed by Unit Owners. No unit shall have any aluminum foil placed in any window or glass door or any reflective substance placed on any glass.

23. No exterior antenna shall be permitted on the Condominium Property or improvements thereon provided that Developer shall have the right to own, install and maintain community antenna and radio and television lines and other temporary communications systems.

24. No chain link fences shall be permitted on the Condominium Property or any portion thereof, except during construction by Developer.

25. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Condominium Property and including full compliance by them of these restrictions and all the rules and regulations of the Association. All children under fourteen (14) years of age must be accompanied by a responsible adult when entering and/or utilizing the recreation areas or facilities.

26. No animals or pets of any kind, except as may otherwise be provided in the Declaration shall be kept in any Unit.

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27. No Unit Owner shall install a screen enclosure to or upon the outside walls of the Building or on the Common Elements or Limited Common Elements without the prior consent of the Board of Directors.

28. No sign, advertisement, notice, lettering or descriptive design shall be posted, displayed, inscribed or affixed to the exterior of a Unit. No "For Sale" or "For Rent" or similar signs or notices of any kind shall be displayed or placed upon any part of a Unit by Unit Owners other than the Developer and the Association.

29. Every Owner and occupant shall comply with these Rules and Regulations as set forth herein, and any and all rules and regulations which from time to time may be adopted, and the provisions of the Declaration, By-Laws 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 which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend voting rights and use of recreation 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 Owner for failure of any Owner, his family, guests, invitees or employees, to comply with any covenant, restriction, rule or regulation herein or in the Declaration, or Articles of Incorporation or By-Laws, provided the following procedures are adhered to:

- (a) Notice: The Association shall notify the Owner or occupant and if applicable, his licensee or invitee in writing not less than fourteen (14) days before the hearing, which hearing shall be before the Board of Directors. The notice, at a minimum shall include: (1) a statement of the date, time and place of the hearing; (2) a statement of the provisions of the Declaration, Association By-Laws, or Association Rules which have allegedly been violated; and (3) a short and plain statement of the matters asserted by the Association. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. At such meeting, the Owner or occupant shall be entitled to be represented by counsel (at his expense) and cross-examine any present witnesses and other testimony or evidence.
- (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. Formal rules of evidence shall not apply. A written decision of the Board of Directors shall be submitted to the 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 a fine not in excess of Fifty Dollars (\$50.00) for each non-compliance or each violation.
- (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) Collection of Fines: No fine shall become a lien against a Unit, however, the Board may take such other affirmative and appropriate action as may be necessary to effect collection of fines.
- (f) Application of Penalties: All monies received from fines shall be allocated as directed by the Board of Directors.
- (g) 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 Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

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30. Except for the "Leasing" provisions in Section 17.8 of the Declaration and unless the Rules of the Florida Department of Business Regulation or the Act require otherwise, these Rules and Regulations shall not apply to the Developer, nor its agents or employees and contractors, or to Institutional First Mortgagees, nor to the Units owned by either the Developer or such Mortgagees. All of these rules and regulations shall apply, however, to all other Owners and occupants even if not specifically so stated in portions hereof. The Board of Directors shall be permitted (but not required) to grant relief to one or more Unit Owners from specific rules and regulations upon written request therefor and good cause shown in the sole opinion of the Board.

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