

**505 DEERFIELD
A
CONDOMINIUM
ASSOCIATION, INC.**

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505 DEERFIELD, A CONDOMINIUM

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GLOSSARY¹

Assessment	a share of the funds required for the payment of Common Expenses which, from time to time, is assessed against any Unit Owner.
Association	the corporate entity responsible for the operation of the Condominium.
Board of Administration	the board of directors or other representative body which is responsible for the administration of the association.
Bylaws	the Bylaws of the Association existing from time to time.
Common Elements	The portions of the Condominium Property which are not included within the Units; easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Elements; an easement of support in every portion of the Unit which contributes to the support of a Building; the property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements; any other parts of the Condominium Property designated as Common Elements in this Declaration; and Common Elements includes Limited Common Elements unless the context otherwise requires.
Common Expenses	the expenses of administration, maintenance, operation, repair, replacement, or protection of the Common Elements and Association Property, costs of carrying out the powers and duties of the Association and any other expense, whether or not included in the foregoing designated as common expense by the Condominium Act, or this Declaration, the Articles or the Bylaws.
Common Surplus	the excess of all receipts of the Association collected on behalf of the Condominium, (including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements) over the Common Expenses.
Condominium	that form of ownership of real property which is created pursuant to the provisions of Chapter 718, Florida Statutes, and which is comprised of units that may be owned by one or more persons, and there, appurtenant to each unit, an undivided share in the common elements.
Condominium Parcel	means a Unit, together with the undivided share in the Common Elements which is appurtenant to the Unit.
Condominium Property	means the Land and the personal property that are subjected hereunder to condominium ownership, whether or not contiguous, and all improvements on the Land, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.
Declaration of Condominium	the instrument or instruments by which a Condominium is created, as they are from time to time amended.
Developer	a person who creates a condominium or offers condominium parcels for sale or lease in the ordinary course of business, but does not include an owner or lessee of a unit who has acquired his unit for his own occupancy.
Limited Common Elements	those Common Elements which are reserved for the use of a certain condominium Unit or Units, to the exclusion of other Units, as specified in the Declaration of Condominium.
Operation	includes the administration and management of the Condominium Property.
Unit	a part of the Condominium Property which is subject to exclusive ownership. A unit may be in improvements, land, or land and improvements together, as specified in the Declaration.
Unit Owner	a record owner of legal title to a Condominium Parcel as shown by the real estate records in the office of the Clerk of Broward County, Florida, whether such Owner be the Developer, one or more persons, firms, associations, corporations or other legal entities.

¹ The definitions herein are taken from Section 718.103, Florida Statutes. Reference is made to that Section for additional definitions and to the entire Condominium Act (Chapter 718) for amplification of all definitions and concepts.

This Prospectus is presented by 505 Deerfield, LLC, a Florida limited liability company, herein referred to as "Developer", in accordance with Section 718.504, Florida Statutes.

1. **DESCRIPTION OF CONDOMINIUM.** The name of this condominium is 505 Deerfield, a Condominium (hereinafter referred to as "Condominium"), which is constructed on a tract of land located in Broward County, Florida. The Developer does not contemplate, nor does it obligate itself to provide, the remodeling of the existing improvement on this tract as it now exists and is offering the units in their "as-is" condition. The existing improvement consists of two three-story buildings with 18 units on the first floor and 18 two-story units on the second floors, with a total of 36 units. There are eighteen one story, one-bedroom, one-bathroom apartments, twelve two-story, two-bedroom, one and one half-bathroom apartments and six two-story, three-bedroom, two-bathroom apartments. There are four unit types: Unit type A (656 and 663 sq. ft.), unit type B (1,441 and 1,427 sq. ft.), unit type C (839 and 852 sq.ft.) and unit type D (1,791 and 1,820 sq. ft.). The units are condominium residences which are subject to private ownership. An exact legal description of the entire condominium property and a survey and floor plan may be found in Article 1, Paragraph 4 of the Declaration of Condominium, Exhibit 2 hereto and Exhibits A and B to the Declaration of Condominium, Exhibit 2 hereto.

2. **COMPLETION DATE.** The building is complete. Should the Developer not have at least twenty eight (28) units under agreement within 180 days of entering into the first binding agreement for purchase and sale of any unit, then the Developer reserves its right to cancel the purchase agreement pursuant to the terms of the purchase agreement (See 15(i) of the Agreement for Purchase and Sale).

3.

505 DEERFIELD, A CONDOMINIUM IS CREATED AND BEING SOLD ON FEE SIMPLE INTERESTS.

4. **RECREATIONAL FACILITIES AND OTHER COMMONLY USED FACILITIES.** There are commonly used facilities which include one (1) laundry room (on the first floor), one trash bin area, mailbox area, meter and telephone facilities and a parking area. The laundry room located on the first floor, shall be for use by the Unit owners. The Association shall be entitled to the profits derived from the operation and maintenance of the laundry machines. The current laundry maintenance agreement is attached hereto as Exhibit I. The parking area consists of 55 parking spaces adjacent to the Building. Parking areas and spaces shall be assigned (if assignments are made), maintained and operated in accordance with the applicable provisions of the Declaration of Condominium

(Exhibit 2, hereto). These commonly used facilities shall be available for use by the Unit owners no later than the date in which the last unit is sold by the Developer.

5. The units will not be transferred subject to a lease.

6. There is no contract for the management of the condominium property. There is no Management Agreement between 505 Condominium Association, Inc. and management. The Association, may, however, at its discretion enter into a management agreement for the management of the association once control of the association has been turned over to the unit owners by the developer. The owner of each condominium unit shall see to maintain and be responsible for the maintenance of his own unit and all equipment and fixtures therein, including but not limited to, all air-conditioning equipment (including compressors whether located within or on the common elements), and must promptly correct any condition which would, if left uncorrected, cause any damage to another unit or to the common elements. The Condominium Association shall be responsible for and see to the maintenance, repair and operation of the common elements and the limited common elements of the Condominium. The Association shall be managed by its Board of Directors, which shall be responsible for the management of the Condominium (See Article 11 of the Declaration of Condominium, Exhibit 2 to this Prospectus, and Article 5 of the By-Laws, Exhibit D to the Declaration of Condominium, Exhibit 2 to this Prospectus).

7. **THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE CONDOMINIUM ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.**

Article 4 of the By-Laws describes this right to retain control of the Condominium Association in detail. In accordance with Article 4 of the By-Laws, When Unit Owners other than the Developer own 15 percent or more of the Units that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one-third of the members of the Board of Administration. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Administration (a) three years after 50 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three months after 75 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; or (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 years after recordation of the Declaration, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one member of the Board of Administration as long as the Developer holds for sale in the ordinary course of business 5 percent of the Units that will be operated ultimately by the Association. Following the time the Developer relinquishes control of the Association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.

8. THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

In order to assure a community of congenial residents and occupants and to protect the value of the residences, there are specific restrictions on the sale, lease, transfer and mortgaging of units which restrictions may be found in Article 18 of the Declaration of Condominium, Exhibit 2 hereto.

9. RESTRICTIONS ON USE OF CONDOMINIUM AND CONDOMINIUM UNITS.

The use of the Condominium Property and the condominium units and other facilities, if any, is subject to certain restrictions which include but are not limited to the following (See Article 17 of the Declaration of Condominium, Exhibit 2 hereto, and Article 13 of the By-Laws, Exhibit D to the Declaration, Rules and Regulations, Schedule A to the Bylaws):

- A. USE OF UNITS. Condominium Units shall be used as single-family residences only.
- B. COMMON ELEMENTS. The common elements shall be used only for furnishing of services and facilities for which they are reasonably suited and facilities for which they are reasonably suited and which are incident to the use and occupancy of units and shall be subject to such regulations by rules and by-laws as may be promulgated by the Condominium Association.
- C. CHILDREN. There are no prohibitions nor restrictions against occupancy and permanent residence in this Condominium by children; however, Developer has reserved to itself and the Condominium Association the right to make such rules and regulations as it deems necessary for safety

reasons with regard to the use of the common elements by children under the age of fifteen (15) years (See Article 17, Paragraph 2 of the Declaration of Condominium, Exhibit 2 hereto).

D. PETS. So long as the Developer controls the Condominium Association, purchasers may have one pet whose weight does not exceed twenty-five (25) pounds. Such pets shall nevertheless be subject to the reasonable rules and regulations promulgated by the Condominium Association applicable thereto (See Article 17, Paragraph 3, Declaration of Condominium, Exhibit 2 hereto).

E. SIGNS. No signs of any nature whatsoever, including "For Sale" and "For Rent" signs shall be displayed by any individual unit owner on his condominium parcel or upon any part of the Condominium Property.

F. RULES AND REGULATIONS. Reasonable rules and regulations concerning the use of the Condominium and the Condominium Property, and especially the common elements and the limited common elements, may be promulgated by the Condominium Association in accordance with the By-Laws of the Association and the appropriate authorities, including the Developer, shall have the rule making powers over use of the common elements by all persons, subject to the limitations contained in the Declaration of Condominium (See Article 13 of the By-Laws, Exhibit D to the Declaration of Condominium).

10. UTILITY AND OTHER EXPENSES. Each unit will pay directly for all electricity which that unit owner consumes within its own unit, including, but not limited to, that used for heat, air conditioning and hot water heater, the charges for which he will be separately billed. There will be only one water and sewer meter, the charges for which will be charged to and paid by the Condominium Association as part of the common expenses. The attached Schedule C describes all utility services which are provided for the benefit of the Condominium.

11. APPORTIONMENT OF COMMON EXPENSES AND OWNERSHIP OF COMMON ELEMENTS AND COMMON SURPLUS.

A. COMMON EXPENSES. The cost of administration and management of the Condominium Property, expenses of maintenance and operation, repair and replacement of the common elements, insurance covering the common elements and limited common elements, expenses declared to be Common Expenses by the Declaration of Condominium and any valid charges against the Condominium as a whole are Common Expenses. A condominium meets the costs of common expenses by imposing assessments against each condominium unit, which assessments in accordance with law are borne by the unit owners in the same proportion as they share in ownership of the common elements. The condition of the building and estimated replacement costs may be seen in exhibit K hereto (F.S., §718.616). Unit owners are required to pay their share of the costs and expenses of maintenance, management, upkeep, replacement and other costs under the organizational documents creating 505

Deerfield, a Condominium (See Article 12 of the Declaration of Condominium, Exhibit 2 hereto and Article 11 of this Prospectus). There is a lien or lien right against each unit to secure the payment of assessments or other exactions coming due for the use, maintenance, upkeep or repair of the facilities owned by 505 Condominium Association, Inc. The unit owner's failure to make these payments may result in foreclosure of the lien (see Article 13 of the Declaration of Condominium, Exhibit 2 hereto).

B. **COMMON ELEMENTS.** The Common Elements of the Condominium consist of all the land and all the buildings and other improvements except for those portions of the building contained within the individual units. The Developer, in allocating shares of the Common Elements, has assigned a share to each of the condominium apartment units; that is, 1/36 or 2.78% per each unit. Since the Common Expenses mentioned in Paragraph 11A above are required by law to be in the same proportions as the Common Elements, each condominium unit shall be assessed according to their allocation of the Common Elements. The apportionment of common expenses and ownership of the common elements has been determined by assigning to each unit, on an equal fractional basis, an undivided share equal to one/thirty-sixth (1/36). Thus, each unit will have assigned to it the same share of the Common Elements and, therefore, of Common Expenses and assessments. The common elements shall be used only for furnishing of services and facilities for which they are reasonably suited and facilities for which they are reasonably suited and which are incident to the use and occupancy of units and shall be subject to such regulations by rules and by-laws as may be promulgated by the Condominium Association.

C. **COMMON SURPLUS.** The Common Surplus is the excess of all receipts of the Condominium Association, including, but not limited to, assessments, rents, profits and revenues on account of the Common Elements, over the Common Expenses. Each unit owner shares in the Common Surplus, if any, in the same percentage as the Common Elements and Common Expenses.

Complete Floor Plans showing the number of units in the building, upon which the fractional shares of the Common Elements, Common Expenses and Common Surplus are based may be found on Exhibit A and B to the Declaration of Condominium, Exhibit 2 hereto.

12. **ESTIMATED OPERATING BUDGET.** There is attached as Exhibit 3 the Estimated Operating Budget and Monthly Maintenance Expense for the Condominium Association for the initial period of operation of the Condominium, which budget also sets forth an estimate of the individual unit owner's expense to meet the assessments of the Condominium Association, including monthly maintenance, on a monthly and yearly basis (See Article 13, "Collection of Assessments and Special Assessments", of the Declaration of Condominium, Exhibit 2 hereto).

13. **PURCHASER'S ESTIMATED CLOSING EXPENSES.** Schedule D attached to this Prospectus describes in narrative detail the various costs to purchasers incidental to closing the purchase of condominium units (sometimes referred to in these documents as "residences"). As part of the closing

expenses which are described in detail in Schedule D, there is a closing fee in the amount of one and one-half percent (1-1/2%) of the purchase price, due from purchaser to Developer at closing. Inasmuch as purchase prices, closing dates, the costs of extras, etc., vary from closing to closing, it is impossible to estimate the exact amounts for inclusion in this Prospectus. There is, however, distributed with this Prospectus or with the Purchase Agreement for a specific unit, a Data Sheet which identifies a specific residence, indicates its purchase price, and includes the estimated proratable items (e.g. real estate taxes, maintenance assessments, etc.) (See Schedule D attached hereto, and the Purchase Agreement, Exhibit 1 hereto).

14. **TITLE INSURANCE.** If purchaser requires an owner's title insurance policy, arrangements can be made with the title company chosen by the Purchaser for the issuance of an owner's title policy for a fee paid by Purchaser which charge may vary according to the charge established by the title company. If Purchaser requires a mortgagee (loan) policy of title insurance, arrangements can be made with the title company issuing the owner's policies for the simultaneous issue of such loan policy for an additional premium which is estimated to be \$125.00, to be paid by Purchaser (See Schedule D, hereto).

15. **PARKING.** Parking areas will be located within the Condominium. Parking areas and spaces shall be assigned (if assignments are made), maintained and operated in accordance with the applicable provisions of the Declaration of Condominium (Exhibit 2, hereto).

16. **CONDOMINIUM ASSOCIATION.** The Condominium Association will be a not-for-profit Florida corporation authorized in accordance with the provisions of Chapter 617, Florida Statutes, having as its purpose the operation of the Condominium Property as required by law. All unit owners in the Condominium are members of that Association and have voting rights. If a unit (residence) is owned by more than one (1) person, those persons in the aggregate shall have the vote in respect to that residence. With respect to this Condominium, each condominium unit owner is entitled to one (1) vote in the Condominium Association for each condominium residence owned by him or her. Voting right and qualifications of voters and membership in the Corporation are more fully stated, qualified and determined by the provisions of the Articles of Incorporation of the Association and its By-Laws (Exhibit C and Exhibit D respectively, to the Declaration of Condominium, Exhibit 2 hereto). In accordance with law, the Articles of Incorporation have been filed with the Secretary of State of Florida and will be recorded among the public records of Broward County, Florida, together with the Declaration of Condominium.

17. **DEVELOPER AND MANAGING MEMBER.** The Developer of this Condominium is 505 Deerfield, LLC, a Florida limited liability company, having its principal offices at 2850 Douglas Road, PH-4, Coral Gables, Florida 33134. The Developer's principal business is the conversion of

existing apartment buildings into single-family residences, including condominiums. The Developer will not retain ownership of any part of the Condominium Property.

The Managing Member of the Developer is Guillermo Paniza. Guillermo Paniza therefore is the party directing the creation and sale of the Condominium. Mr. Paniza has real estate experience as a Florida Real Estate investor and has managed the day-to-day operation of various income producing properties.

18. **SHARES OF OWNERSHIP UPON TERMINATION.** In Article 20 of the Declaration of Condominium, the instances where the termination of the Condominium is set forth. In the event that termination of the Condominium occurs, Article 20 of the Declaration sets forth the procedures necessary to finalize such termination and sets forth the rights of the unit owners upon such termination.

19. **NO TIME-SHARE ESTATES.** No time-share estates are contemplated nor will be created in this condominium.

20. **BOARD OF ADMINISTRATION.** The Condominium Association will be controlled by a Board of Administration (or Board of Directors), consisting of three (3) directors. The Developer will have the authority to appoint or elect a majority of the Board of Directors, thereby retaining control as outlined in Section 7 of this Prospectus and Article 4 of the By-Laws. The Developer will have the authority at its option to relinquish its right to control prior to any mandatory date. Notwithstanding the Developer's right to control the Association, members other than the Developer will have the right to elect not less than one (1) director, once six (6) apartments are owned by persons other than the Developer. (See Article 4, Paragraph 14 of the Bylaws, Exhibit D to the Declaration of Condominium, Exhibit 2 to this Prospectus.)

21. **PROPOSED BUDGET FOR RESERVES.** Florida Law requires that condominium associations establish reserves for capital expenditures and deferred maintenance items. To assist the Condominium Association of this Condominium, the Developer has attached as Exhibit 3 to this Prospectus an Estimated Reserve Budget for certain items categorized according to expected life of that item. This estimated budget does not include nor attempt to include all items for which reserves might be established, which items might have periodic but not continuous repair and/or replacement requirements. Florida Law permits the waiver of assessments to fund reserves; however, this waiver must be periodically (not less than annually) voted upon and approved by not less than a majority of the unit owners. Exhibit 3 reflects the estimated current effect upon assessments if the reserve requirement is charged. The Estimated Budget (Exhibit 3) for 505 Deerfield, a Condominium includes the reserve estimate for maintenance, repair and replacement of the paved surfaces of the parking areas.

22. STATUTORY RIGHT FOR GUARANTEE OF COMMON EXPENSE. There is a guarantee by the Developer associated with this offering (See Article 13, Paragraph 6 of the Declaration of Condominium, Exhibit 2 hereto). Florida Law, under §718.116(9)(a)(2), sets forth the conditions under which the guarantee of common expenses can be hereinafter be imposed and in fairness of disclosure, that statute is quoted below:

“A developer who owns condominium units, and who is offering the units for sale, may be excused from payment of assessments against those unsold units for the period of time the developer has guaranteed to all purchasers or other unit owners in the same condominium that assessments will not exceed a stated dollar amount and that the developer will pay any common expenses that exceed the guaranteed amount. Such guarantee may be stated in the purchase contract, declaration, prospectus, or written agreement between the developer and a majority of the unit owners other than the developer and may provide that, after the initial guarantee period, the developer may extend the guarantee for one or more stated periods.”

23. CONVERSION INSPECTION REPORT. The building was constructed in 1973. The building was built, prior to this conversion, consisting of 36 residential units, making the structure a multiple dwelling, apartment house. The building was constructed on a concrete spread footing foundation with steel reinforced concrete tie columns, steel reinforced concrete slab floors on the first and second floors and a wood joist floor system for the third floor. The roof consists of pre-fabricated engineered wood truss system. The exterior walls are constructed of CBS block with a painted stucco finish on the outside and painted gypsum wallboard finish on the interior. There is no present Termite damage as evidenced by the Termite Inspection Report attached hereto as Exhibit “O”. Additionally, Exhibit “O” contains a roof condition report. The Conversion Inspection Report details the condition of the roof, Structure, fire protection system, heating and cooling systems, plumbing, electrical system, pavement and parking areas and the drainage system of the building. (See Conversion Inspection Report attached hereto as Exhibit “K”.) The Developer has obtained local approval of the development plan, having complied with all County of Broward zoning requirements as applicable (See Local Approval of Development Plan, Exhibit N). The Developer shall establish and fund reserve accounts for capital expenditures and deferred maintenance, pursuant to section 718.618, F.S. Therefore, there are no express warranties for fitness and merchantability unless they are stated in writing by the Developer.

SCHEDULE A
THE NUMBER OF BEDROOMS AND BATHROOMS CONTAINED
IN EACH UNIT IN 505 DEERFIELD, A CONDOMINIUM

UNITS						UNIT TYPE	NO. OF BEDROOMS AND BATHS
107	108	109	110	111	112	A	each contain 1 BR, 1 Bath
113	114	115	116	117	118		
208	209	210	211	212	213	B	each contain 2 BR, 1-1/2 Bath
214	215	216	217	218			
101	102	103	104	105	106	C	each contain 1 BR, 1 Bath
201	202	203	204	205	206	D	each contain 3 BR, 2 Bath
207						E	each contain 4 BR, 2-1/2 Bath

SCHEDULE B

RECREATIONAL AND OTHER COMMONLY USED FACILITIES

There are no recreational facilities in 505 Deerfield, a Condominium. There are, however, commonly used facilities in 505 Deerfield, a Condominium such as the mailbox area, laundry room on the first floor, an electrical and telephone room facility, a trash bin area, stairwells, and parking areas.

SCHEDULE C

UTILITY AND OTHER SERVICES

The following schedule indicates the various utilities and other services provided to the Condominium, the agency or organization which provides them, the frequency of the service (where applicable) and the areas served:

SERVICE	PROVIDED BY	FREQUENCY	AREA SERVED
SEWAGE DISPOSAL	BROWARD WATER AND SEWER		TOTAL
WATER SUPPLY	BROWARD WATER AND SEWER		TOTAL
ELECTRICITY	FLORIDA POWER AND LIGHT		EACH INDIVIDUAL UNIT
TELEPHONE	BELLSOUTH (OR OTHER AS PER UNIT OWNER CHOICE)		EACH INDIVIDUAL UNIT
GARBAGE/TRASH	CONTRACT BEING NEGOTIATED		TOTAL
LANDSCAPING/ GARDENING	CONDOMINIUM ASSOCIATION	AS NEEDED	TOTAL
EXTERMINATING	CONDOMINIUM ASSOCIATION	AS NEEDED	COMMON AREAS
CLEANING SERVICE	CONDOMINIUM ASSOCIATION	AS NEEDED	COMMON AREAS

SCHEDULE D

PURCHASER'S ESTIMATED CLOSING COSTS AND DATA SHEET

1. REAL ESTATE TAXES. Real estate taxes in Florida become a lien on the property as of the date of assessment which is January 1 of each year, but are not payable until November 1 of that same year. Taxes are assessed on a calendar year basis. At closing, real estate taxes attributable to the subject apartment shall be prorated as of the date Developer lawfully first schedules a closing on the Apartment, whether or not the closing actually takes place upon that date. No credit, however, will appear on the closing statement for real estate taxes next coming due, but the same shall be properly credited or paid to Purchaser upon Purchaser's presentation to Developer of a paid tax bill for the real estate taxes on the subject Apartment for the year in which the closing takes place, which credit or payment by Developer shall be based on the November payment discount. In the event the closing shall take place at a time when taxes have been paid, an appropriate charge to Purchaser for Purchaser's prorated amount of the taxes based on the closing date will appear on the closing statement. If for any reason taxes are assessed against the Condominium property as a whole, then in that year the amount of taxes attributable to each unit is computed by multiplying the percentage of common elements attributable to each unit by the total tax assessment against the Condominium Property. Should real estate taxes be assessed against the Condominium Property for the year in which the proration occurs, then the amount of taxes prorated between the Purchaser and Developer in accordance with the procedure mentioned above will be the amount of taxes attributable to the condominium unit computed by multiplying the applicable percentage of common elements times the total tax bill as above mentioned.

Since proration dates vary from unit to unit, it is impossible to estimate the exact percentage or amount of real estate taxes that will be charged to or paid by the purchaser. There is distributed with the Prospectus or with the Purchase Agreement in respect of the particular condominium unit being considered by a prospective purchaser, a Data Sheet which identifies a specific unit, shows its purchase price, and includes the estimated real estate taxes for the year in which the proration date is estimated to occur and which amount is, therefore, the estimate of taxes to be prorated between Developer and Purchaser. A copy of the form of Data Sheet is attached to and included with this Schedule D.

2. INSURANCE. PURCHASERS SHOULD INQUIRE OF THEIR INSURANCE AGENT OR OF THE INSURANCE AGENT WHO POLICED THE CONDOMINIUM PROPERTY CASUALTY INSURANCE CONCERNING THE ADVISABILITY OF OBTAINING SUPPLEMENTAL HOMEOWNERS' TYPE INSURANCE ON THEIR INDIVIDUAL UNIT. THE INSURANCE OBTAINED FOR THE BENEFIT OF THE CONDOMINIUM PROPERTY DOES NOT COVER FURNITURE, FURNISHINGS, PERSONAL PROPERTY, AND MAY NOT FULLY COVER WALL AND FLOOR COVERINGS, PLATE GLASS WINDOWS AND DOORS, AND SIMILAR ITEMS WITHIN THE UNIT. FOR PURCHASER TO BE PROTECTED AGAINST THESE LOSSES, PURCHASER MUST OBTAIN SUPPLEMENTAL INSURANCE IN RESPECT OF EACH UNIT OWNED BY PURCHASER.

3. PRORATABLE ITEMS. There may be other items reflected by contract or the Data Sheet as being prorated between Purchaser and Developer on the proration date. By way of example and not of limitation, common expense (monthly maintenance charge) is generally proratable as of the proration date unless specific provisions in the Purchase Agreement or other agreements provide otherwise.

4. CLOSING FEE. A closing fee of 1-1/2% of the purchase price is payable by the Purchaser at closing (see Paragraph 10(a) of the Purchase Agreement).

5. CONDOMINIUM ASSOCIATION CHARGES.

A. The initial Contribution (Capital Contribution) to the Condominium Association is a one-time-only, non-recurring payment for the purpose of providing initial working capital for the Association. Specific information relating to each unit's share of the Capital contribution may be found on the Data Sheet mentioned above.

B. Condominium Association assessments and fees for each condominium unit are computed on a monthly basis and are proratable at closing as indicated in Paragraph 3 above. Specific information may be found on the Data Sheet attached to the Purchaser's Purchase Agreement. Current practice is to collect all fees and assessments and ly and in advance

6. TITLE INSURANCE. If purchaser requires an owner's title insurance policy arrangements can be made with the title company chosen by the Purchaser for the issuance of an owner's title policy for a fee paid by Purchaser which charge may vary according to the charge established by the title company. If Purchaser requires a mortgagee title insurance policy, arrangements can be made with the title company issuing the owner's title policy for the simultaneous issue of a mortgagee policy for a fee paid by Purchaser which charge is estimated to be \$125.00, but which may vary according to the charge established by the title company.

7. MORTGAGE CLOSING COSTS. In the event the Purchaser finances the purchase of a condominium unit with a mortgage, certain closing costs will be charged by the mortgage lender in addition to the closing costs required to be paid by the Purchaser in and about the purchase of a unit. If there is available for the unit being purchased a commitment or tentative commitment from one or more lenders, these closing costs related to the mortgage transaction may be estimated on the Data Sheet or on a sheet supplemental to it. If, however, no such commitment or tentative commitment is available, or whether or not available, if the Purchaser arranges his own financing, the closing costs on the mortgage must be ascertained from the prospective lender. Purchaser should keep in mind that lenders generally categorize their closing costs as follows:

Closing Points: a charge based on a given percentage of the original mortgage principal which usually includes compensation to the lender for State of Florida taxes on the mortgage and note; recording costs; lender's attorney's fees (without or without mortgage title insurance); and discount. A lender may separately state these charges in its commitment or may lump one or another of the charges together under the general category of "points", "closing points", "closing fees", or some similar title. The other general category of closing expenses which Purchaser may experience in relation to a mortgage will be the interest proration and funding of escrows, if any. The mortgagee may charge interest from the effective date of the mortgage to the date of the first mortgage payment. Furthermore, mortgagee may charge an amount necessary to fund a cash escrow for estimated real estate taxes next coming due on the unit and similarly require the funding of a cash escrow for the next casualty insurance premium coming due, if any.

8. ATTORNEY'S FEES. If Purchaser retains legal counsel to represent him in and about the purchase of a condominium unit, purchaser shall pay the legal fees and costs of his own legal counsel.

Buyer understands that Buyer will be obligated to pay all cash at Closing under this Agreement and that Buyer's obligations under this Agreement to purchase the unit will not depend on obtaining a mortgage from any lender or any conditions imposed by such lender. Buyer will be solely responsible for making Buyer's own financial arrangements. The fact that Seller may arrange for the availability of mortgage loans for purchasers of units will not in any way affect this obligation. Seller agrees, however, to cooperate with any lender and to coordinate Closing with it, but only if the lender meets Seller's closing schedule and pays the proceeds of its mortgage at Closing. In the event that the lender does not pay Seller these proceeds at Closing, Buyer will not be allowed to take possession of the unit until Seller actually receives the funds, and the funds have cleared.

2. Mortgage Provisions Title Insurance and Closing Costs.

(a) Buyer has a right to use a title company and a lender chosen by Buyer in connection with the Purchase of the property. If the (i) the purchase of the property is a cash transaction without a mortgage contingency, and Buyer elects to use Great Country Title Services ("GCTS"), a title company affiliated with Seller, or (ii) purchase of the property will be financed, and Purchaser elects to use both GCTS and Seller's Approved Lender as designated on page one (1) of this Agreement ("Lender"), both affiliates of Seller, or such other lender, if any, as may be named by Seller, then Seller shall pay the following Closing Costs: documentary stamp taxes on the Deed (as hereinafter defined), the premium for an owner's title insurance policy, and the costs to record the Deed. In order to assure that the title work and the loan application process are commenced promptly, Buyer must select the title company and lender, and advise Seller of the election, either simultaneously with the execution of this Agreement or within ten (10) days of the date of this Agreement. Buyer is to please [✓] check one of the boxes below and place Buyer's initials below the selected text. By initialing on the line provided by the selected text, Buyer also acknowledges receipt of the Notice of affiliated Companies that discloses Seller's affiliation with GCTS and Seller's approved Lender.

- (1) ☐ Buyer elects to use both GCTS and Seller's Approved Lender (or such other lender approved by Seller).

Buyer's Initials _____

- (2) ☐ Buyer intends to purchase the property without a mortgage contingency, but elects to use GCTS.

Buyer's Initials _____

- (3) ☐ Buyer elects to use a title company other than GCTS and a lender other than Seller's Approved Lender.

Buyer's Initials _____

- (4) ☐ Buyer shall notify Seller within ten (10) days of the date of this Agreement of Buyer's election of option (1), (2) or (3) by delivering to Seller the Election Form Amendment attached hereto. In the event that Buyer does not notify Seller within ten (10) days of the date of this Agreement, Buyer shall be deemed to have elected option (2) above.

Buyer's Initials _____

If Buyer selects option (1) or (2) above, Seller will pay documentary stamp taxes on the Deed, the premium for an owner's title insurance policy, and the costs to record the Deed only if the election is made within the time period noted above. Regardless of whether Seller pays such costs, Buyer will pay all other loan and Closing Costs including, without limitation, the title search fee, title exam fees and settlement fee.

Regardless of what option Buyer chooses, within five days after the effective date of this Agreement, Buyer will complete a good-faith application for a mortgage loan lender. Buyer will completely and truthfully supply all information and documents required in connection with Buyer's application, and within five days after request for any reason Buyer will provide any further information or documents to the lender. Buyer will notify Seller within two working days after Buyer's application is approved or rejected.

b. If the Buyer applies for a mortgage with an affiliate of the Seller, the Seller's affiliate will provide Buyer with an estimate for interest rates, payment terms, and other terms and conditions of the lender prevailing on the date of Closing, or otherwise established or agreed to by the lender. Buyer understands that any interest rates or mortgage terms disclosed to Buyer are merely informational and may change at the Closing, and Seller is not bound by any such disclosures unless set forth in this Agreement.

c. If (i) Buyer is married, Buyer's spouse will join in Buyer's application and will execute all mortgage documents; (ii) Buyer is a corporation, partnership or other entity, Buyer's principals and their spouses will join in Buyer's application and execute or

guarantee all mortgage documents; and (iii) Buyer is approved for a loan with a co-signer, the co-signer will execute all mortgage documents, if required by Buyer's lender, even though these persons may not have executed this Agreement, and in the event they fail to do so Buyer will be deemed in default.

d. Prior to the Closing, Buyer will satisfy any liens or judgments against Buyer that might take priority over Buyer's mortgage or that are required to be satisfied by Buyer's lender, and if Buyer fails to do so Buyer will be deemed in default.

e. Notwithstanding anything to the contrary in this Agreement, this transaction is contingent upon Buyer's qualification and credit approval for a mortgage only if Buyer applies for a mortgage with one of Seller's approved institutional lenders. If Buyer elects to use a non-approved lender, this Agreement shall be considered "all cash" and Buyer's obligations shall not be contingent upon obtaining mortgage financing.

3. Unit Sold in "As-Is" Condition.

Buyer has previously reviewed and considered the nature of this transaction and the cancellation rights provided by Florida Statute and has concluded and hereby acknowledges that such cancellation rights will enable Buyer to thoroughly investigate the Premises and all aspects of the transaction. In electing to proceed with this transaction, Buyer shall have determined that the Premises are satisfactory to Buyer in all respects and is purchasing the Premises in "as is" condition. Buyer has and will rely solely on Buyer's own independent investigations and inspections, and Buyer has not relied and will not rely on any representation of Seller other than as expressly set forth in the Contract and the Condominium Documents provided. Buyer further acknowledges and agrees that, except for the specific representations made by Seller in the Contract and the Condominium Documents, Seller has made no representations, is not willing to make any representations, nor held out any inducements to Buyer other than those exclusively set forth in the Contract and the Condominium Documents; and Seller is not and shall not be liable or bound in any manner by any express or implied warranties, guarantees, statements, representations or information pertaining to the Premises, except as may be specifically set forth in the Contract and the Condominium Documents.

4. Use of Buyer's Deposits

The Condominium is substantially complete in accordance with Seller's plans and specifications and the representations contained in the Offering Circular. Buyer's deposits will be deposited in escrow with Deeb Law Firm, P.A. (the "Escrow Agent"), whose address is 2350 Coral Way, Suite 401, Miami, Florida 33145-3536, in accordance with the Escrow Agreement contained in the Offering Circular and will not be used by the Seller in any way.

No interest shall be earned on escrowed funds or other deposits under this Agreement.

Buyer shall be entitled to a receipt for Buyer's deposit from the Escrow Agent upon request.

5. This paragraph Intentionally Left Blank.

6. Condominium Specifications, Access to Units, Changes by Seller.

Buyer may examine the plans and specifications, if any, are in Seller's possession, at Seller's sales office during Seller's regular business hours.

Buyer understands and agrees that Buyer is not permitted to enter upon the Condominium Property, except for models and sales offices, until Buyer has closed, and Buyer will indemnify and hold Seller harmless, including attorneys' fees and costs at all tribunal levels, from any injury Buyer (or any of Buyer's guests, family or others accompanying Buyer) may sustain by entering the Condominium Property.

Buyer acknowledges that all extras, changes, optional items, materials, equipment and fixtures are not offered separately from the unit being conveyed hereunder, and that no part of this Agreement is intended as or shall be deemed to be a consumer transaction.

Buyer understands and acknowledges that Seller has the right to make changes in the Condominium Documents as Seller deems necessary including, but not limited to, the right to modify the configuration of the Condominium Property including the Condominium Property's recreational facilities. Seller also has the right to make minor changes in the finishes and size; the mix of units other than Buyer's unit, and in Buyer's unit where reasonably required by architectural or engineering criteria. Seller shall have the right to make any changes in documentation, development plans, the Condominium Property's recreational facilities, if any, the Building(s) or in Buyer's unit without Buyer's consent. If such changes materially alter or modify the offering in a manner that is adverse to Buyer, Buyer will have the right to

rescind this Agreement within 15 days after being notified of such changes. In the event of rescission by either of us for the reasons above-described, Buyer's deposit will be returned to Buyer and each of us shall be relieved of any further liability under this Agreement.

Notwithstanding the foregoing, Seller's right to make changes as provided in this paragraph 6 shall be limited to the provisions in the Declaration of Condominium and applicable law, at such time that the Declaration of Condominium is recorded.

7. Damage Before Closing

If Buyer's unit is damaged by fire or other casualty after this Agreement takes effect but before Closing, Seller will be financially responsible for the loss. But if the damage occurs after the Closing on the first unit in the Condominium, Seller or the Condominium Association may decide not to repair Buyer's unit.

If Seller decides to repair the damage, Seller will have a reasonable time to complete repairs. The work will be judged by the same standards used to evaluate new construction. Buyer will have no right to any reduction in the purchase price nor any claim against Seller and Buyer agrees to accept title on the scheduled closing date providing the repairs are finished by the Closing date. Any money Seller receives in settlement of the damage (insurance, etc.) will belong to Seller. If Buyer receives any money in connection with the damage, Buyer will turn it over to Seller.

If Seller or the Condominium Association decides not to repair the damage, this Agreement will be cancelled. In that case Seller agrees to refund all Buyer's deposits, provided Buyer is not in default. This will end any rights or responsibilities we have to each other.

Notwithstanding anything to the contrary contained hereinabove, in the event the unit is damaged by casualty prior to closing, Seller may elect not to repair, and to terminate this Agreement.

8. Closing Date

The parties recognize that the Property is an existing improvement, is complete and is being converted into condominiums. If the Declaration of Condominium has been recorded, Closing shall occur within 90 days from the date of such recording with notice as indicated below.

Buyer will receive at least seven days notice of the Closing date, time and place. Seller is authorized to postpone the Closing if any problems arise. But if Seller does, Seller must give Buyer at least seven days notice of the new date.

No extension of the Closing date shall be effective unless given in writing by Seller. The date set forth in said notice shall be the date utilized for calculation of all prorations and adjustments required by this Agreement. Notwithstanding the foregoing, Seller may and is authorized to postpone the Closing for any reason and Buyer agrees to close on the date Seller specifies in Seller's notice of postponement. A change of time or place of Closing only (one not involving a change of date) shall not require any additional notice period. Any notice of Closing, postponement or rescheduling may be given orally, by telephone, telegraph, telex, facsimile, mail or other means of communication at Seller's option. All of these notices will be sent or directed to the address, or given by use of the telephone or telex or facsimile number specified on Page 1 of this Agreement, unless Seller has received written notice from Buyer of any change prior to the date the notice is given. These notices will be deemed effective on the date given or mailed. An affidavit of one of Seller's employees or agents that notice was given to Buyer will be conclusive for purposes of proving that notice was given.

If Buyer fails to receive any notice because Buyer failed to advise Seller of any change of address or telephone, telex or facsimile number, or for any other reason, Buyer will not be relieved of Buyer's obligation to close on the scheduled date unless Seller agrees in writing to postpone the schedule date. Buyer understands that Seller is not required to reschedule or to permit a delay in closing.

If Buyer fails to close in accordance with this Agreement Seller may elect to hold Buyer in default or reschedule the Closing, in which event Buyer shall pay Seller interest at the highest rate allowed by law on the full purchase price calculated from the originally scheduled Closing date to the date on which Buyer actually closes.

9. Closing of Title

Title to the unit, which will be conveyed by Special Warranty Deed, will be good, marketable, and insurable subject to the following permitted limitations (the "Permitted Exceptions"):

- a. Liability for all taxes and assessments on Buyer's unit for the year Buyer receives title and for all subsequent years.

- b. Easement Deed to City of Deerfield Beach recorded in Official Records Book 5226, Page 580 of the Public Records of Broward County, Florida.
- c. Standard Florida Laundry Space Lease filed in Official Records Book 12034, Page 996 of the Public Records of Broward County, Florida.
- d. Restrictions, conditions, reservations, easements, and other matters contained on the Plat of OCEAN VUE, as recorded in Plat Book 3, Page 34 of the Public Records of Broward County, Florida.
- e. Encroachment of Chain Link Fence over the Northwesterly corner portion of property and Wood Power Pole outside of Utility Easement area both as set forth on survey prepared by McLaughlin Engineering Company on survey dated July 10, 2003 under Job Order No. T-8158.
- f. Ordinance by Board of County Commissioners of Broward County Recorded in OR Book 34145, at Page 1891 of the Public Records of Broward County.
- g. Any restrictions, covenants, conditions, limitations or easements recorded in the public records. For example, property use limitations, maintenance easements or rights-of-way for utilities or other services.
- h. Zoning or other restrictions or prohibitions imposed by governmental authority.
- i. The restrictions, covenants, conditions, terms and other provisions imposed by the recorded Declaration of Condominium and Exhibits thereto.
- j. Liens for public improvements.
- k. Any mortgage executed or assumed by Buyer that encumbers Buyer's unit.
- l. The standard exclusions and exceptions contained in the American Land Title Association, ALTA Form "A" and "B" Owner's Title Insurance Policy form in the county in which the Condominium is located and the exceptions set forth above.

Buyer understands that no limitation on Buyer's title can prohibit the use of Buyer's unit as a residence.

If Seller cannot provide title as described above, Seller will have a reasonable time (at least 60 days) to correct any defects in title. But Seller is not obligated to do so. If Seller cannot or will not correct the title defects, Buyer has two options:

- 1. Buyer may accept the title in the condition Seller offers it (with defects) and pay the full purchase price for Buyer's unit. If Buyer elects this option, Buyer will not make, and will not have, any claims against Seller because of the defects.
- 2. Buyer may cancel this Agreement and receive a full refund of all Buyer's deposits. If Buyer's deposits are refunded, Buyer agrees to accept them as full payment of Seller's liability to Buyer. Buyer will not make, and will not have any, additional claims against Seller.

Notwithstanding anything herein to the contrary, title to the unit shall conclusively be deemed good and marketable if Seller is able to deliver an ALTA Form "B" Owner's Title Insurance Policy with respect to the unit subject to the Permitted Exceptions.

10. Closing Costs

Buyer understands that in addition to the purchase price of Buyer's unit and the costs associated with Buyer's mortgage, Buyer must pay certain other fees and "closing costs" when Buyer accepts ownership at the Closing. Those extra charges include:

- a. A closing charge of one and one-half percent of the total purchase price.
- b. All additional costs due to or arising out of changes imposed by any governmental authority.
- c. Utility deposits, installation charges or hook-up fees, prepaid insurance premiums, or other charges advanced by Seller on Buyer's behalf.

- d. Any amounts for principal, interest, taxes, insurance, or private mortgage insurance required by Buyer's lender to be paid, prepaid, or escrowed at the Closing, and any other mortgage loan closing costs of any kind or nature whatsoever imposed by Buyer's lender.
- e. The cost of any obligations Buyer has incurred not provided for in this Agreement.
- f. Pending liens for any public improvements.
- g. Initial working capital contribution to the Condominium Association equal to two months' assessments for Buyer's unit.
- h. Expenses of Buyer's unit (for example, taxes and assessments, and condominium association maintenance charges), will be prorated between us at Closing. If Seller anticipates taxes for the current year will not be separately assessed for Buyer's unit, Buyer will pay Seller a pro rata portion of the estimated real estate taxes for Buyer's unit and Seller will pay the real estate taxes for the current year. If Seller anticipates current taxes will be separately assessed for Buyer's unit, Seller will reimburse Buyer for Seller's pro rata share of such taxes upon presentation of a tax bill based upon the maximum discount for early payment, unless the tax bill has been issued or paid by Seller in which event taxes will be prorated at the closing. If real estate taxes are prorated pursuant to this paragraph prior to the issuance of the actual tax bill, then upon the issuance of the actual tax bill we will re-prorate taxes if either of us so requests, based upon the maximum discount for early payment. Buyer will also pay Seller any interim or municipal service fees for Buyer's unit at the closing.
- i. Owner's Title Insurance Policy Premium and Mortgagee Title Insurance Policy Premium. Seller will not be required to provide Buyer with an abstract of title for Buyer's unit. If Buyer is financing the purchase of Buyer's unit with a federally related lender or loan, and the approval of such financing is a condition of Buyer's obligations under the terms and conditions of this Agreement, and Buyer desires a different company, Buyer will notify Seller pursuant to the terms of this Agreement.

11. Other Duties

Buyer shall have no right to take possession of the unit until Buyer has paid the balance of the purchase price and other expenses stated in this Agreement, have signed all papers necessary to close title and, if applicable, to close Buyer's mortgage loan.

12. Default

If Buyer fails to honor Buyer's promises or to perform Buyer's duties under this Agreement (including making scheduled deposits and Closing when required) Buyer will be in "default." If Buyer is still in default 72 hours after Seller notifies Buyer of it, Seller may cancel this Agreement. At this time all Buyer's rights will end and Seller may resell Buyer's unit without any accounting to Buyer. Buyer also agrees upon Buyer's default Seller may notify the Escrow Agent that Buyer has defaulted, in which event the Escrow Agent shall pay Buyer's deposit and any interest earned thereon to Seller, and the Escrow Agent may rely on Seller's notice and shall be under no obligation to make any independent investigation or confirmation of Buyer's default.

Buyer understands that since Seller has taken Buyer's unit off the market and spent money on sales, advertising and promotion, Buyer's default will damage Seller. As compensation for this damage Buyer authorizes Seller to keep any deposits Buyer has made, or if not then paid by Buyer, Buyer will pay to Seller, all of Buyer's deposits which would have been made or required had Buyer not defaulted, as well as any money for options or extras (such as customized work, optional items or nonspecified materials) as Seller's liquidated and agreed upon damages. This is because there is no other precise method of determining Seller's damage. Seller agrees not to take any other action against Buyer because of Buyer's default.

Any damage or loss that occurs to Buyer's unit while Buyer is in default will not affect Seller's right to retain Buyer's deposits as damages.

In the event Seller fails to honor Seller's promises or to perform Seller's duties under this Agreement, Buyer shall give Seller written notice specifying such default and if Seller, within 30 days subsequent to receipt of the notice, fails to take such action which would cure the default within a reasonable time after notice, and if Buyer has performed all of Buyer's obligations under this Agreement, Buyer shall have the right to receive the refund of Buyer's deposits (in which event this Agreement will be cancelled and neither party shall have any further right or obligation with respect to the other), or Buyer may affirm the Agreement and seek specific performance, damages, and any other remedies available under applicable law.

13. Litigation

If Seller is successful in connection with any litigation concerning this Agreement, Buyer will be obligated to pay reasonable attorney's fees and costs incurred by Seller in connection with such litigation through and including all appellate litigation. In the event of litigation in which Buyer claims a right to cancel this Agreement, pursuant to Paragraph 15(g) below, the prevailing party shall be entitled to recover reasonable attorney's fees.

14. Seller's Use of the Condominium Property

As long as Seller holds a unit or units in the Condominium for sale in the ordinary course of business, Seller and Seller's agents may maintain sales offices and models to assist Seller in selling units in the Condominium.

15. Miscellaneous Provisions

a. Agreement Not to be Recorded. Buyer will not record this Agreement nor any notice or memorandum thereof, in the Public Records of the county in which the Condominium is located. If Buyer does, Buyer shall be in default hereunder. Buyer acknowledges that Buyer has not acquired any right, title, interest, or lien right in the unit prior to Closing and Buyer agrees not to file a lis pendens, claims of lien or any other document concerning any dispute which Buyer may subsequently have with Seller concerning or arising out of this Agreement.

b. Sales Commissions. Seller will pay all sales commissions of Seller's sales personnel. Buyer agrees to indemnify and hold Seller harmless from the claims of any other person(s) claiming a real estate commission.

c. Notices. Any time we are required to notify each other, the notice must be in writing. It must be sent by registered or certified mail, postage prepaid, with a return receipt requested. Seller will send Buyer's notices to the address Buyer has given Seller on page 1. Buyer will send any notices to Seller at 2850 Douglas Road, PH-4, Coral Gables, Florida 33134. But either of us can change our address for notices.

A change of address notice is effective when it is received. All other notices are effective on the day they are mailed.

d. Transfer or Assignment. Buyer has no right to assign, sell or transfer Buyer's interest in this Agreement without Seller's written consent, which consent may be arbitrarily withheld. If Buyer attempts to so assign this Agreement, such assignment shall be null and void and of no effect.

If Seller decides to sell all or any part of this Condominium, Seller may assign or transfer Seller's interest in this Agreement and in the Escrow Agreement referred to under "Use of Buyer's Deposits" and Buyer's consent will not be required. If the buyer of all or any part of the Condominium Property assumes Seller's obligations contained in this Agreement and the Escrow Agreement, Seller will not be liable to Buyer for any acts, omissions or defaults by the buyer.

e. Others Bound by this Agreement. If Buyer dies or in any way loses legal control of Buyer's affairs, this Agreement will bind Buyer's heirs and legal representatives. If Buyer is a corporation or other business entity, this Agreement will bind Buyer's successors in interest. If Buyer has received Seller's written permission to assign or transfer this Agreement it will bind anyone receiving Buyer's interest.

f. Public Records. Buyer authorizes Seller to record any documents necessary to establish and operate the Condominium. Seller will file them in the Public Records of the county in which this Condominium is located.

g. Buyer's Right to Cancel.

THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER SECTION

718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

h. Florida Law and Rules of Construction. Any disputes that develop under this Agreement will be settled according to Florida law, without giving effect to principles of conflict of laws, except as specifically preempted by federal law. If any part of this Agreement violates a provision of Florida law, the law will control. In that event, however, the remainder of the Agreement will remain in force and effect. Without limiting the generality of the foregoing, if the mere inclusion in this Agreement of language granting to Seller certain rights, remedies and powers, or waiving or limiting any of Buyer's rights, remedies or powers or Seller's obligations, results in a final determination that Buyer has the right to cancel this Agreement and receive a refund of Buyer's deposit, such offending rights, powers, limitations and/or waivers shall be struck, cancelled, rendered unenforceable, ineffective and null and void. Under no circumstances shall either Seller or Buyer have the right to cancel this Agreement solely by reason of the inclusion of certain language in this Agreement, unless the specific purpose of that language is to grant a right of cancellation.

i. Pre-Sales Requirements. Buyer understands that Seller's mortgage lenders may require that a certain number of unit sales be made before Seller may close on the title to any units. Seller shall have not more than 180 days from the date the first purchaser signs an agreement for sale and purchase of a unit in the Condominium to satisfy the pre-sales requirement. Seller will not be liable if Seller cannot close on Buyer's unit because of this requirement. In that event, Buyer will receive a full refund of Buyer's deposit(s). The fact that Seller may cancel this Agreement does not mean that this Agreement does not become effective until after Seller's mortgage lenders' requirements are met. This Agreement is effective when we both sign and deliver this Agreement to each other and all rights of cancellation contained in this Agreement are "conditions subsequent" (conditions which do not delay the effectiveness of this Agreement).

j. Entire Agreement. This Agreement contains the entire understanding between us concerning the sale and purchase of the unit and can only be amended in writing, executed by both of us. Prior agreements, representations, understandings and oral statements not reflected in this Agreement and the Condominium Documents are void and have no effect. Buyer has not relied on them. Buyer has fully reviewed this Agreement and sought all legal and other advice which Buyer deems necessary and agree that no provision hereof shall be more strictly construed against either of us than the other.

k. Changes. Buyer agrees that the Condominium Documents delivered to Buyer may be amended by the Condominium Association in any manner whatsoever.

l. All Parties Liable. If more than one person signs this Agreement as purchaser, each will be equally liable, jointly and severally, for full performance of all duties and obligations under it and Seller can enforce it against each of the purchasers, or all of them collectively.

m. Seller has established reserve accounts for capital expenditures and deferred maintenance pursuant to Section 718.618(1), Florida Statutes. Seller is making no implied warranties provided by Section 718.618, Florida Statutes, to the extent permitted by law, so long as the reserve accounts are funded in accordance with Section 718.618, Florida Statutes. In the event the Seller fails to establish the reserve accounts in accordance with Section 618, Florida Statutes, Seller shall be deemed to have granted to Buyer an implied warranty of fitness and merchantability for the purposes or uses intended, as to the roof and structural components of the improvements; as to fireproofing and fire protection systems; and as to mechanical, electrical, and plumbing elements serving the improvements, except mechanical elements serving only one unit. Seller's sole liability in the event of any defect covered by this implied warranty shall be to correct or replace same as provided herein. This warranty, if any, shall be for a period beginning with the notice of intended conversion and continuing for 3 years thereafter, or the recording of the declaration to condominium and continuing for 3 years thereafter, or 1 year after owners other than the developer obtain control of the association, whichever occurs last, but in no event more than 5 years. Any warranty

provided for in Section 618, Florida Statutes, is conditioned upon routine maintenance being performed, unless the maintenance is Seller's obligation or the obligation of the association when controlled by Seller. Prior to the turnover of the Association to the Unit Owners, and to the extent Seller is liable under Section 718.618(6), Florida Statutes, in favor of the Unit Owners and Association, Seller and Seller's designees and contractors shall have the right, in Seller's and their sole discretion, from time to time, to enter the Condominium Property or any Improvements located thereon, for repair or replacement purposes and take all other action necessary or convenient for the purpose of fulfilling Seller's obligations. Seller will not be liable for damages or injury to any of Buyer's personal property resulting from any such defect. There are no warranties which extend beyond the requirements of Section 718.618, Florida Statutes. No other warranties, express or implied, are made by Seller and other warranties are hereby specifically disclaimed. Furthermore, in no event will Seller be liable to Buyer for any consequential damages including, but not limited to, inability to possess Buyer's unit, inconvenience, or loss of time, due to any of the aforementioned defects. No warranties or guaranties are given by Seller as to consumer products as defined in 15 U.S.C., Section 2301, et seq. (Magnuson-Moss Warranty Act). You have not given and Buyer has not relied on or bargained for any such warranties.

n. Features Included. The purchase price of Buyer's unit includes only the items included in the features list. Buyer understands that any other appliances, furnishings or decorations contained in Seller's models are for display purposes only.

o. Time is of the Essence. Buyer understands that time is of the essence under this Agreement insofar as Buyer's performance under this Agreement, including Buyer's obligation to close.

p. Administrative Fee and Closing Charge. In the event this Agreement is terminated by either of us, Buyer agrees to pay a \$50.00 charge to Seller if Buyer does not return the Offering Circular and all other related Condominium Documents to Seller in good condition. The closing charge set forth in paragraph 10(a) is based upon the present documentary stamps tax rate of \$0.60 per \$100.00 of consideration. If the documentary stamp tax is increased or if any additional tax is imposed upon the transfer of title to Buyer's unit, Buyer will pay the increase or additional tax.

q. FIRPTA. The parties agree to comply with the Foreign Investment Real Property Tax Act, as amended, and agree that there will be no withholding at Closing on account of such Act.

r. Radon Disclosure. In accordance with the provisions of Florida Statutes, Section 404.056(8), Seller is required to and do hereby make the following disclosure: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

s. Inducement. Buyer acknowledges that the primary inducement to purchase under this Agreement is the unit itself and not the recreational facilities.

t. Condominium Documents. Buyer shall receive from Seller various condominium documents required by Florida Statutes and, once received, shall acknowledge receipt of same by signing the Receipt for Condominium Documents as required by rule 61B-18.004(3), F.A.C. This paragraph, however, shall not operate in lieu of said Receipt for Condominium Documents. Buyer agrees this Agreement is subject to all of the terms, conditions and disclosures set forth in the Condominium Documents. The terms used in this Agreement shall have the same definitions and meanings as those set forth in the Condominium Documents, unless herein provided to the contrary, or unless the context otherwise requires.

u. Insulation. The type, thickness, and R-value of the insulation Seller will install in each part of Buyer's Unit is set forth below. Seller will have the right to substitute insulation so long as the R-value is equal to or greater than that set forth below. Buyer understands the R-values set forth below are supplied by the manufacturer, and Seller will have no liability if the R-value is, in fact, different than that indicated.

TYPE	THICKNESS	R-VALUE	LOCATION
Sprayed on	¾ "	R-3	exterior walls

Batt
Blown on

4"
6 1/2 "

R-11
R-19

party walls/ceilings
ceilings

To the extent required by applicable law, Buyer may have the Unit's energy efficiency rating determined. Buyer acknowledges receipt of the Department of Community Affairs' brochure regarding energy efficiency ratings.

v. Pursuant to the mandates of the applicable Broward County Ordinance and the provisions of the Broward County Code, Seller is advised, and Seller and Buyer acknowledge and agree, that the Unit is located in a special flood hazard area. If the Unit is below the applicable flood elevation level and is substantially damaged or substantially improved, as defined in the Broward County Code, it may, among other things, be required to be raised to the applicable flood elevation level.

w. Waiver. Seller's waiver of any of Seller's rights or remedies under this Agreement shall only be enforceable if made in writing, and shall not waive any other of Seller's rights or remedies or prevent Seller from later enforcing all of Seller's rights and remedies under similar or other circumstances.

x. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument which may be sufficiently evidenced by one such counterpart.

16. This Agreement, the Condominium Documents, all disclosure materials including the sales brochure, if any, are important legal documents and, if not understood, purchaser should seek legal advice.

The undersigned have executed this Agreement on the day and year set forth below.

BUYER (S):

SELLER (S):

Printed Name: _____

505 Deerfield, LLC, a Florida limited liability company

Printed Name: _____

By: _____

Name & Title of authorized representative

Dated: _____

Dated: _____

EXHIBIT 2
DECLARATION OF CONDOMINIUM

DECLARATION OF CONDOMINIUM OF
505 DEERFIELD, A CONDOMINIUM

505 Deerfield, LLC, a Florida limited liability company (the "Developer"), for itself, its successors and assigns, makes the following Declaration:

1. Introduction and Submission:

1.1 Purpose. Being the fee simple owner of the land and improvements hereinafter described, The Developer hereby submits said property to condominium ownership pursuant to the provisions of Chapter 718, Florida Statutes (hereinafter called the "Condominium Act"), which Condominium Act in its entirety, as it exists from time to time, shall govern and control this condominium except where permissible variations therefrom appear in this Declaration or in the annexed Articles of Incorporation and/or By-Laws of 505 Deerfield Condominium Association, Inc., a Florida non-profit corporation, or in lawful amendments thereto.

1.2 Submission Statement. The Developer hereby submits the land, improvements and, except as otherwise provided herein, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, less and except all public utility installations, and other personal property or equipment, if any, not owned by the Developer 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: 505 Deerfield, a Condominium (herein called the "Condominium").

1.4 Legal Description of the Land.

Lots 1, 2, 30, 31, 32, 33 and 34, in Block 8 of "OCEAN VUE" according to the Plat thereof, as recorded in Plat Book 3, at Page 34, of the Public Records of Broward County, Florida.

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 and as hereafter renumbered.

- 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 any Unit Owner.
- 2.4 "Association" means 505 Deerfield Condominium Association, Inc., a Florida corporation not for profit, the entity responsible for the operation of the Condominium.
- 2.5 "Association Property" means that property, real and personal, which is owned or leased by, or is dedicated by a recorded plat to the Association for the benefit of its members.
- 2.6 "Board of Administration" means the board of directors or other representative body which is responsible for administration of the association.
- 2.7 "Building" means the structure or structures in which the Units are located on the Condominium Property.
- 2.8 "Bylaws" means the Bylaws of the Association.
- 2.9 "Committee" means a group of Board members, Unit Owners, or Board members and Unit Owners appointed by the Board or a member of the Board to make recommendations to the Board regarding the Association budget or take action on behalf of the Board.
- 2.10 "Common Elements" shall mean and includes:
- (a) The portions of the Condominium Property which are not included within the Units;
 - (b) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Elements;
 - (c) An easement of support in every portion of the Unit which contributes to the support of a 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 this Declaration;
 - (f) Common Elements includes Limited Common Elements unless the context otherwise requires.
-
- 2.11 "Common Expenses" means the expenses of administration, maintenance, operation, repair, replacement, or protection of the Common Elements and Association Property, costs of carrying out the powers and duties of the Association and any other expense, whether or not included in the foregoing designated as common expense by the Condominium Act, or this Declaration, the Articles or the Bylaws.
 - 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, rents, profits and revenues on account of the Common Elements) over the Common Expenses.
 - 2.13 "Condominium Parcel" means a Unit together with the undivided share in the Common Elements which is appurtenant to the Unit.
 - 2.14 "Condominium Property" means the Land and the personal property that are subjected hereunder to condominium ownership, whether or not contiguous, and all improvements on the Land, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.
 - 2.15 "County" shall mean Broward County, Florida.
 - 2.16 "Declaration" or "Declaration of Condominium" means this instrument or instruments by which the Condominium will be created, as they are from time to time amended.
 - 2.17 "Developer" means 505 Deerfield, LLC, a Florida limited liability company, 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 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.
 - 2.18 "Improvements" mean all structures and artificial changes to the natural environment (exclusive of landscaping) on the Condominium Property, including but not limited to, a Building or Buildings.

- 2.19 "Institutional First Mortgagee" or "Mortgagee" means the Developer or a generally recognized and duly authorized institutional lender such as a bank, savings and loan association, insurance company, mortgage company, real estate or mortgage investment trust, which owns or holds a first mortgage encumbering a Condominium Parcel. "Mortgagee" also includes the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration and Federal Housing Administration or any other lender, or its loan correspondent or agency of the United States Government holding, guaranteeing or insuring a first mortgage on a Condominium Parcel.
- 2.20 "Limited Common Elements" mean those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units, as specified in this Declaration.
- 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 "Operation" or "operation of the Condominium" means the administration and management of the Condominium Property.
- 2.24 "Primary Institutional First Mortgagee" means the Institutional First Mortgagee which owns at any time first mortgages securing a greater aggregate indebtedness than is owed to any other Institutional First Mortgagee.
- 2.25 "Special Assessment" means any assessment levied against Unit Owners other than the Assessment required by a budget adopted annually.
- 2.26 "Unit" means a part of the Condominium Property which is subject to exclusive ownership.
- 2.27 "Unit Owner", or "Owner of a Unit" means a record owner of legal title to a Condominium Parcel as shown by the real estate records in the office of the Clerk of Broward County, Florida, whether such Owner be the Developer, one or more persons, firms, associations, corporations or other legal entities. "Owner" shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure;

nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

- 2.28 "Utility services" shall include, but not be limited to, electric power, water, air conditioning, MATV and CATV systems and garbage and sewage disposal.
- 2.29 "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 that is owned by more than one owner or by any entity.
- 2.30 "Voting Interest" means the voting rights distributed to the Association members pursuant to the Act and Section 5 of this Declaration.

3. Description of Condominium.

- 3.1 Identification of Units. The Land has constructed thereon two (2) Buildings with Thirty-Six (36) Units. Each such Unit is identified by a separate numerical designation. The designation of each such Unit is set forth on Exhibit "A" and "B" annexed hereto. Exhibits "A" and "B" consists of a survey of the Land, a graphic description of the Improvements located thereon, including, but not limited to, the Buildings in which the Units are located and a plot plan thereof. Said Exhibits "A" and "B" 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 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(s) of the interior undecorated finished lower surface of the ceiling.
- (ii) Lower boundaries. The horizontal plane of the interior undecorated finished upper surface of the floor.
- (b) Perimetrical boundaries. The perimetrical boundaries of the Unit shall be the vertical planes of the interior undecorated finished surface of the walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries.
- (c) Apertures. Where there are apertures in any boundary, including, but not limited to, windows, doors, conversation pits and skylights, such boundaries shall be extended to include the interior undecorated finished surfaces of such apertures, including all frameworks thereof. Exterior surfaces made of glass or other transparent material, and all framing and casings therefor, shall be included in the boundaries of the Unit.
- (d) Exceptions. In cases not specifically covered above, and/or in any case of conflict or ambiguity, the survey of the Units set forth as Exhibits "A" and "B" hereto shall control in determining the boundaries of a Unit.

3.3 Limited Common Elements. Each Unit may have, to the extent applicable and subject to the provisions of this Declaration, as Limited Common Elements appurtenant thereto:

- (a) Balconies and Terraces. Balconies and terraces abutting a Unit shall be for the exclusive use of the Unit Owner owning such abutting Unit. The Unit Owner shall be responsible for maintenance and care of the balcony or terrace, including, without limitation, all wiring, electric outlets, lighting fixtures and screening. A Unit Owner shall not enclose the exterior balconies or terraces without the prior written approval of the Board of Administration and the Architectural Control and Maintenance Standards Committee which may be withheld on the Committee's sole discretion. The Architectural Control and Maintenance Standards Committee shall be responsible for approving the design, structural integrity, aesthetic appeal and construction details, or otherwise, which approval may be unreasonably withheld. The Board of Administration shall determine whether or not the enclosure, if approved by the Committee aforescribed, will be installed.

- (b) 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.
- (c) Ground Floor Terraces. The Unit Owner shall be responsible for maintenance and care of the terrace. The Unit Owner shall also be responsible for the maintenance and repair of the wall enclosing the terrace. The portion of the wall shared by adjoining Units shall be the joint responsibility of the adjoining Owners of such Units. The general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to the common wall.
- (d) Parking Spaces. The Association shall be responsible for the maintenance and upkeep of the parking areas.

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 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 Administration of the Association 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, and to remove any Improvements interfering with or impairing such facilities or easements herein reserved; provided the Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for maintenance, repair or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to this Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units.
- (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 resident, their 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. Developer hereby grants to delivery, pick-up and fire protection services, police and other authorities of the law, United States carriers, representatives of electrical, telephone and other utilities authorized by Developer to service the Condominium and representatives of cable television, and to such other persons as Developer from time-to-time may designate, the non-exclusive, perpetual right of ingress and egress over, through and across such portions of the Common Elements for the purposes of performing their authorized services and investigation. Such easements shall survive any termination of this Declaration. 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.

- (e) Sales Activity. For as long as the Developer holds a unit or units in the Condominium for sale in the ordinary course of business, the Developer, its designees, successors and assigns, shall have the right to use 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. Developer reserves the right to use any units not closed or the Recreational Facilities as temporary accommodations for, but not limited to, prospective purchasers. Such temporary accommodations shall not be considered a leasing

of the Unit and shall not be subject to Section 18 hereof. No charge shall be made to Developer for such use.

- (f) Warranty. For as long as the Developer remains liable under any warranty, whether statutory, express or implied, for act or omission of Developer in the Development, sale and marketing of the Condominium, then Developer and its contractors, agents, and designees shall have the right, in Developer's sole discretion and from time to time, to enter the Condominium Property for the purpose of inspecting, testing and surveying same to determine the need for repairs, improvements and/or replacements, and effecting same, so that Developer can fulfill any of its warranty obligations. **Nothing herein shall be deemed or construed as the Developer making or offering any warranty, all of which are disclaimed (except to the extent same may not be) as set forth in this Declaration.**

- (g) Additional Easements. The Association, on its 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 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 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 these aforescribed 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.

5.1 Percentage Ownership and Shares. The undivided percentage interest in the Common Elements and Common Surplus, and the percentage share of the Common Expenses appurtenant to each Unit, is set forth in Exhibit "i" annexed hereto, which percentage is based upon an equal fractional basis where each Unit shall have an undivided share in the ownership of the Common Elements and Common Expenses equal to one/thirty-sixth (1/36).

5.2 Voting. Each Unit shall be entitled to one vote to be cast by its Owner in accordance with the provisions of the Bylaws and Articles. Each Unit Owner shall be a member of the Association.

5.3 Eligibility for Membership on Board of Administration. Except for directors appointed by the Developer, all directors must be Unit Owners or members 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 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 Administration of the Association or by not less than one-third 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. Except as elsewhere provided, approvals must be by affirmative vote of:

- (a) Unit Owners owning not less than 66-2/3 percent of the voting interests represented at any meeting at which a quorum has been attained and by not less than 66-2/3 percent of the Board of Administration of the Association; or,
- (b) Unit Owners owning not less than 80 percent of the voting interests represented at any meeting at which a quorum has been attained; or,
- (c) 100 percent of the Board of Administration; or

- (d) Not less than 50 percent of the entire membership of the Board of Administration in the case of amendments to the section hereof entitled "Insurance" or other sections that are reasonably required by insurers or the Primary Institutional First Mortgagee.

6.2 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.

6.3 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 and 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.

6.4 Proviso. Notwithstanding the provisions of Section 6.2 above, and unless otherwise provided specifically to the contrary in this Declaration, no amendment shall change the configuration or the size of any Unit in any material fashion, materially alter or modify the appurtenances to any Unit, or change the proportion or percentage by which a Unit Owner shares in the Common Expenses and owns the Common Surplus unless the record owner of the Unit and all Mortgagees or other lien holders thereon shall join in the execution of such amendment and the amendment is otherwise approved by not less than a majority of the voting interests of Unit Owners, unless otherwise required by a governmental authority. No amendment shall be passed which shall materially affect the rights or interests of any Mortgagee without the prior written consent of such Mortgagee. No amendment shall be passed which shall in any way affect any of the rights, privileges, powers or options of the Developer without the prior written consent of the Developer.

The consent or joinder of some or all Mortgagees of Units to or in amendments to this Declaration shall not be required unless the requirement

is limited to amendments materially affecting the rights or interests of the Mortgagees, or as otherwise required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and unless the requirement provides that such consent may not be unreasonably withheld. Except as to amendments: (a) described in this Section 6.4 (b) required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and (c) amendments permitting the creation of time-share estates in any Unit of the Condominium, it shall be presumed that all other amendments to this Declaration do not materially affect the rights or interests of any Mortgagee.

The acquisition of property by the Association, and material alterations or substantial additions to such property or the Common Elements by the Association, in accordance with the provisions of the Act or Sections 8 and 11(g) of this Declaration, shall not be deemed to constitute a material alteration or modification of the appurtenances to the Units. No amendment pursuant to this Section 6.4 shall be adopted without the approval of not less than a majority of the total voting interests of the Unit Owners in the Condominium, unless required by any governmental entity.

6.5 Notwithstanding any provisions contained herein to the contrary, and to the extent permitted by law, the Developer may, without the consent of Unit Owners, record any of the following amendments to this Declaration and any Exhibits thereto:

- (a) Any amendment to correct a scrivener's error, provided that the Developer is in control of the Association;
- (b) Any amendment which may be required by any governmental authority having jurisdiction over the Condominium Property;
- (c) Any amendment which may be required by a Mortgagee; and any such amendment shall supersede any conflicting provisions contained in this Declaration or any Exhibit hereto.

The above described amendments by the Developer shall neither impair or prejudice the rights and interests of any Mortgagee without the prior written consent of such Mortgagee nor impair, prejudice or materially alter or modify the rights of any Unit Owner in a manner that is adverse to such Unit Owner without such Unit Owner's prior written consent. Any of the above described amendments shall be fair and reasonable and consistent with the terms and provisions of the Condominium Act and the applicable Rules of the Florida Department of Business and Professional Regulation. Any of such amendments need be executed and acknowledged only by the Developer and need not be approved by the Association, Unit Owners, lienors or Mortgagees, whether or not elsewhere required for amendments.

7. Maintenance and Repairs.

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 in accordance with the original plans and specifications therefor or as otherwise directed by the Association and/or the Architectural Control and Maintenance Standards Committee, if applicable. 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. Each Unit owns in undivided shares, all of the common elements, including, but not limited to:

- (a) Parking Spaces. Parking is restricted to the parking spaces located in the parking areas, or spaces noted on the survey attached as Exhibits "A" and "B" hereto. Each space identified therein, is assigned a numerical designation. The Developer, for so long as it owns any Unit for sale, reserves the exclusive right to assign to any Unit the exclusive use of one or more parking spaces. The Developer shall be entitled to keep any fee it charges a Unit Owner for the exclusive use of a parking space(s) assigned to his Unit pursuant to this subsection. At such time that the Developer no longer has the right to assign any parking spaces, parking spaces may be assigned by the Association. One parking space shall be assigned to each Unit as of the date of closing of title to each Unit for the exclusive use of the Unit Owner. All assignments of parking spaces shall be by separate written assignment which will indicate that it is made under this subsection, but it may not be recorded among the Public Records. So long as each Unit shall have one parking space appurtenant thereto at all times, a Unit Owner who

has acquired additional parking spaces from the Developer or Association, shall have the right to sell, transfer or assign the exclusive use to such additional space or spaces to another Unit Owner. The Association shall be responsible for the maintenance and upkeep of the parking areas.

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 are Limited Common Elements:

- (a) where a Limited Common Element consists of a balcony or terrace, the Unit Owner who has the right to the exclusive use of said balcony or terrace shall be responsible for the maintenance, care and preservation of the paint and surface of the walls, including floor and ceiling, within said area, if any, and the fixed and/or sliding glass door(s) in 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.

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 of any portion of a Unit to be maintained by the Association pursuant to this Declaration, or for making emergency repairs which are necessary to prevent damage to the Common Elements or to another Unit or Units.

7.5 Hurricane Shutter Specifications. The Board shall adopt hurricane shutter specifications for the Buildings, which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building code. Notwithstanding any provision to the contrary in this Declaration, if approval is required hereunder, the Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board. The Board may, subject to (a) the provisions of the Act that deal with contracts for the purchase, lease or rental of materials or equipment to be used by, or for contracts for services to be provided to the Association, and (b) the approval of a majority of voting interests of the Condominium, install hurricane shutters and may maintain, repair, or replace such approved hurricane shutters, whether on or within the Common Elements, Limited Common Elements, Units, or Association

Property. However, where laminated glass or window film architecturally designed to function as hurricane protection which complies with the applicable building code has been installed, the Board may not install hurricane shutters. The Board may operate shutters installed pursuant to this Section 7.5 without permission of the Unit Owners only where such operation is necessary to preserve and protect the Condominium Property and Association Property. The installation, replacement, operation, repair and maintenance of such shutters in accordance with the procedures set forth herein shall not be deemed a material alteration to the Common Elements or Association Property.

- 7.6 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 either Miami-Dade, Broward or Palm Beach Counties, Florida.

8. Additions, Alterations or Improvements by Association and Developer.

- 8.1 Additions, Alterations or Improvements by the Association. Instead of the requirements imposed by Section 718.113(2), F.S., whenever, in the judgment of the Board of Administration, the Common Elements or any part thereof shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in excess of \$1,500.00 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 Association represented at a meeting at which a quorum is attained. Any such additions, alterations, or improvements to such Common Elements or any part thereof costing in the aggregate of \$1,500.00 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 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 in connection with any changes, Developer shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction.

- (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 mortgages and security interests in property of the Association, provided that such actions are by a majority of the entire membership of the Directors and a majority of the voting interests of Owners represented at a meeting at which a quorum attained, or by such greater percentage of the Board or voting interests of the Unit Owners as may be specified in the Bylaws with respect to certain borrowing.
- (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.
- (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 Bylaws 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, Bylaws and applicable rules and regulations; the Articles shall take precedence over the Bylaws and applicable rules and regulations; and the Bylaws 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 not 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 Administration of the Association is specifically required in this Declaration, the Articles or Bylaws 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 Administration, 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.
12. Determination of the Common Expenses and Fixing of Assessments Therefor. The Board of Administration 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 Bylaws. The Board of Administration 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 Administration 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, replacement or protection of the Common Elements and Association Property, or other commonly used facilities and services, and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles or Bylaws of the Association. 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 Bylaws. The expense of installation, replacement, operation, repair and maintenance of hurricane shutters by the Board pursuant to Section 7.5 of this Declaration and the Act shall constitute a Common Expense and shall be collected as provided in this Section 12. A Unit Owner who has previously installed hurricane shutters in accordance with Section 7.5 of this Declaration or laminated glass architecturally designed to function as hurricane protection which complies with the applicable building code shall receive a credit equal to the pro rata portion of the assessed installation cost assigned to each Unit. However, such Unit Owner shall remain responsible for the pro rata share of expenses for hurricane shutters installed on Common Elements and Association Property by the Board pursuant to Section 7.5 of this Declaration and shall remain responsible for a pro rata share of the expense of the replacement, operation, repair and maintenance of such shutters. Additionally, the cost of a master antenna television system or duly franchised cable television service, if any, obtained pursuant to a bulk contract, shall be deemed to be a Common Expense. The Board of Administration in determining the amount of the Assessments payable by the Unit Owners shall be authorized to include such costs 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 costs 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 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 may charge an administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25.00 or 5% of each installment of the Assessment (and Special Assessment to the extent allowed by law), for each delinquent installment that the payment is late. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent Assessment, (and/or Special Assessment, to the extent allowed by law). The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee shall neither be subject to the provisions of Florida's interest and usury laws nor the provisions of the Condominium Act dealing with the levy of fines against a Unit. The Association has a lien on each Condominium Parcel for any unpaid Assessments (and Special Assessments to the extent allowed by law) 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 to the extent allowed by law) 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 name and address of the association, 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 to the extent allowed by law, interest, costs, and attorney's 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 to the extent allowed by Law) in the manner a 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 to the extent allowed by law) without waiving any claim of lien.

13.3 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least 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 to the extent allowed by law). If this notice is not given at least 30 days before the foreclosure action is filed, and

if the unpaid Assessments (and Special Assessments to the extent allowed by law), 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 attorney's 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 after a foreclosure judgment has been entered, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit. If the unit is rented or leased during the pendency of the foreclosure action, the association is entitled to the appointment of a receiver to collect the rent. The expenses of the receiver shall be paid by the party which does not prevail in the foreclosure action.

13.5 Institutional First Mortgagee. A Mortgagee or its successor or assignees who acquire title to a Unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid Assessments that became due prior to the Mortgagee's acquisition of title. However, the Mortgagee's liability is limited to the lesser of (a) the Unit's unpaid Common Expenses and Assessments which accrued or came due during the six months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or (b) one percent of the original mortgage debt. The provisions of this Section 13.5 shall not apply unless the Mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the Mortgagee. The person acquiring title shall pay the amount owed to the Association within 30 days after transfer of title. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the Parcel and proceed in the same manner as provided in this Section 13 for the collection of unpaid Assessments. If any unpaid share of Common Expenses or Assessments is extinguished by foreclosure of a

superior lien or by a deed in lieu of foreclosure thereof, the unpaid share of Common Expenses or Assessments are Common Expenses collectible from all the Unit Owners. This subsection, in accordance with Section 718.116(1)(e), F.S. shall apply only the first mortgagees.

- 13.6 Developer's Liability for Assessments. Except as provided in this Section 13.6, and Section 12 with respect to hurricane shutters or to laminated glass designed to function as hurricane shutters, no Unit Owner other than the Developer as expressed below may be excused from the payment of his proportionate share of Common Expenses unless all Unit Owners are likewise proportionately excused from such payment. The Developer hereby guarantees to each Unit Owner that the Assessment for Common Expenses will not increase over \$206.65 per month per Unit during the period commencing on the recording of this Declaration of Condominium and ending on the first day13th calendar month following the month in which closing of title to the first Unit occurs, or the date upon which the Developer shall cease to control the Association, whichever is sooner (the first interval of the "First Guaranty Period"); which is the amount set forth in the estimated operating budget for the first year of operation delivered to each Unit Owner by the Developer when such Unit Owner contracted to purchase the Unit, if applicable. Additionally, the Developer hereby guarantees to each Unit Owner that the Assessment for Common Expenses will not increase over \$237.65 per month per Unit during the period commencing on the second day of the thirteenth calendar month following the month in which the closing of title to the first Unit occurs, for a period of one year, or the date upon which the Developer shall cease to control the Association, whichever is sooner (the Second Interval of the "First Guaranty Period"). Additionally, the Developer hereby reserves an option to extend its guarantee after the expiration of the Second Interval of the First Guaranty Period, upon the same terms and conditions as the Second Interval for a period of one year, or the date upon which the Developer shall cease to control the Association, whichever is sooner (the "Second Guaranty Period"). The Developer hereby reserves another option, or options, to extend its guarantee after the expiration of the Second Guaranty Period upon the same terms and conditions as the Second Guaranty Period, for a period of one year or the date upon which the Developer shall cease to control the Association, whichever is sooner. In accordance with the provisions of Section 718.116 of the Condominium Act, the Developer shall be excused from the payment of its share of the Common Expenses which would have been assessed against Units owned by the Developer during the Guaranty Periods. The Developer shall pay any amount of Common Expenses incurred during the Guaranty Periods and not produced by the Assessments at the guaranteed level receivable from other Unit Owners (i.e., during the Guaranty Periods, the Developer shall contribute an amount of money to the Association sufficient to eliminate any deficit between Assessments collectible from Unit Owners other than the Developer and the

actual Common Expenses of the Condominium). Notwithstanding the language in the preceding sentence, if the Association under the Developer's control has maintained all insurance coverages required by the applicable provisions of the Act, and if there are any Common Expenses for restoration to the Condominium Property incurred during the Guaranty Periods resulting from a natural disaster or an act of God, which are not covered by insurance proceeds from the insurance maintained by the Association, there may be an Assessment levied for the cost of such restoration against all Unit Owners owning Units on the date of such natural disaster or act of God, and their successors and assigns, including the Developer with respect to Units owned by the Developer. In the event of such Assessment, all Units shall be assessed in accordance with their ownership interest in the Common Elements as set forth in Paragraph 5.1.

13.7 Possession of Unit. Subject to the Association's rights under Section 7.4 of this Declaration and under law, any person who acquires an interest in a Unit, except Institutional First Mortgagees through foreclosure of a first mortgage of record (or deed in lieu thereof), including, without limitation, persons acquiring title by operation of law, shall be entitled to occupancy of the Unit or enjoyment of the Common Elements.

13.8 Certificate of Unpaid Assessments. Within 15 days after receiving a written request from a Unit Owner, purchaser, or Institutional First Mortgagee, the Association shall provide a certificate signed by an officer or agent of the Association stating all Assessments, Special Assessments and other moneys owed to the Association by the Unit Owner with respect to the Condominium Parcel.

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

13.10 Special Assessments. The specific purpose or purposes of any Special Assessment approved in accordance with this Declaration, Articles, or Bylaws 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 each Institutional First Mortgagee to the extent that they require an "A" rated insurance policy as per Paragraph 14.2, upon reasonable notice to the Association, which approval shall not be unreasonably withheld. In the event of a conflict, the decision of the Primary Institutional First Mortgagee shall control.
- (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 insureds.
- (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.
- (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. If the Association is under the control of Unit Owners other than the Developer, the Association shall use its best efforts to obtain and maintain the insurance described in this Section 14.2. At all times the Association shall maintain insurance policies with an "A" rating (unless such policies are not being offered, then the highest rated insurance policy

available or being offered). If the Association is under control of the Developer, the Association shall exercise due diligence to maintain and obtain such insurance described in this Section 14.2:

- (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, electrical fixtures, appliances, air-conditioning or heating equipment, water heaters, built-in cabinets 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 percent 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 Administration 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 and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters or things related to the Insured Property, with such coverage as shall be required by the Board of Administration of the Association, but with combined single limit liability of not less than \$300,000 for each accident or occurrence, \$100,000 per person and \$50,000 property damage, and with a cross liability endorsement to cover liabilities of the Unit Owners as a group to any Unit Owner, and vice versa.
- (c) Workers' Compensation. Workers' compensation and other mandatory insurance, when applicable.

- (d) Flood Insurance. Flood insurance, if required by law or as may reasonably be required by the Primary Institutional First Mortgagee or if the Association so elects.
- (e) Fidelity Insurance or Fidelity Bonding. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary and treasurer of the Association. The Association shall bear the cost of the insurance or fidelity bonding as required under this paragraph (e).
- (f) Other Insurance. Such other insurance as the Board of Administration 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 Owners 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-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 Administration of the Association, or by a member of the Board of Administration 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 10 days prior written notice to all of the named insureds, including all mortgagees of Units.
- 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 Administration 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 all proceeds covering property losses shall be paid to the Insurance Trustee which may be designated by the Board of Administration 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:

- (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 portions 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) Mortgagees. 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 provision 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. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by any of them.
- (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.

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 them.

14.10 Insurance Trustee. The Board of Administration 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 unless 75 percent or more of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) is destroyed or substantially damaged and Unit Owners owning 80 percent or more of the applicable interests in the Common Elements elect not to proceed with repairs or restoration and the Primary Institutional First Mortgagee approves such election, the Board of Administration 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. If 75 percent 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 percent 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 Mortgagee 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 60 days from the date the Insurance Trustee (if appointed) notifies the Board of Administration 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 90 days after the Insurance Trustee (if appointed) notifies the Board of Administration 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 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 Administration 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 percent 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 and Charges. 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 Owners' respective shares in the Common Elements.

If the proceeds of the insurance (for the Optional Property, if any) 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 for the Optional Property are insufficient, charges shall be made against the affected Unit Owner or Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such charges shall be in proportion to the cost of repairing the damage suffered by each Owner, 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:
 - (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 Administration 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 Owner 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 costs 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 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 jointly 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, nor to determine the payees nor the amounts to be paid. The 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 Administration of the Association, a charge 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 charged 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 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 Administration 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 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 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 Administration 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 approved by

not less than a majority of the total voting interests of the Unit Owners in the Condominium, unless required by any governmental entity.

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

Under no circumstances may more than one family reside in a Unit at one time. "Families" or words of similar import used herein shall be deemed to include spouses, parents, parents-in-law, brothers, sisters, children and grandchildren. In no event shall occupancy (except for temporary occupancy by visiting guests) exceed the maximum allowed under the local county or other governing entity code per bedroom. The Board of Administration shall have the power to set the maximum occupancy per bedroom and 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 15 years of age must be accompanied by a responsible adult when entering and/or utilizing the recreational and other commonly used facilities.

- 17.3 Pets. Except for small domestic birds or fish, each Unit Owner (regardless of the number of joint owners) may maintain a maximum of one (1)

household pet in his Unit to be limited to a dog or cat, provided they are not kept, bred or maintained for any commercial purpose. Dogs may not be kept in a Limited Common Element area when the Owner is not in the Unit. No animals of any kind shall be kept under any circumstances in a Unit, or allowed upon the Condominium Property, except by prior written consent of the Board of Administration of the Condominium Association. Such pets shall nevertheless be subject to the reasonable rules and regulations promulgated by the Condominium Association. In no event shall any pet which when fully grown exceed the weight of 25 pounds, be kept or harbored on the condominium property. If consent is given by the Board, the consent may be withdrawn at any time by the Board at a duly called meeting of the Board, if the Board determines in its sole discretion that the pet has become a nuisance to the Unit Owners, or that the rules and regulations regarding pets are not being fully obeyed. If consent is withdrawn by the Board, the Unit Owner shall immediately remove the pet from the Condominium. Consent shall automatically terminate upon the death or other disposition of the pet for which consent was granted. The Board shall not grant consent for a Unit Owner to keep a pet or pets, except for usual and ordinary domesticated pets weighing less than 25 pounds when fully grown. A pet permission agreement shall be signed by the Unit Owner and the Association.

Notwithstanding the above, Unit purchasers already owning a prohibited pet at the time of signing an Agreement for Sale of a Unit are exempt from these restrictions, except that such pet owner(s) may not replace the pet(s) owned by such purchaser when the Unit was purchased, except in accordance with the requirements of this Section 17.3, and that all such pet owners shall identify and register their pets with the Association.

Pets shall never be allowed to run freely upon any of the Condominium Property, except that pets shall be allowed to run freely within a Unit. When outside of a Unit, pets shall be leashed and in the company of an individual willing and able to fully control the pets. All pets shall be walked only in that part of the Common Elements designated by the Board for that purpose, or taken off the premises for relief and exercise. Any Owner maintaining a pet on Condominium Property shall be fully responsible for, and shall bear the expense of, any damage to persons or property resulting therefrom. Any such damage shall be determined by the Board of Administration of the Association.

No guest, lessee or invitee shall bring any animal whatsoever upon the Condominium Property. No one other than a Unit Owner is permitted to keep any pets on Condominium Property.

This Section 17.3 pertaining to pets shall not be amended in any way which would cause those original Owners who had brought pets meeting the

requirements of this Section upon the Condominium Property and in the Units from keeping those pets. This Section shall not be construed to authorize nor permit any pet to be kept within any Unit nor upon the Condominium Property which pet is or becomes a legal nuisance.

- 17.4 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.
- 17.5 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.
- 17.6 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.
- 17.7 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 Bylaws 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. Leasing of Units shall also be subject to the prior written approval of the Association. No lease shall be approved for a term of less than one month. No Unit shall be leased for more than three terms or to more than three lessees, within a 365-day period, which 365-day period shall be deemed to commence on the date of the lease. As a condition to the approval by the Association of a proposed lease of a Unit, the Association, notwithstanding anything contained in Section 18 of this Declaration, has the authority to require a security deposit in an amount not to exceed the equivalent of one month's rent be deposited into an interest bearing escrow account maintained by the Association. The security deposit shall protect against damages to the Common Elements or Association Property. Within 15 days after a tenant vacates the Unit the Association shall refund the full security deposit plus accrued interest or give written notice to the tenant of any claim made against the security. Disputes under this Section 17.7 shall be handled in the same fashion as disputes concerning security deposits under Florida Statutes, Section 83.49. 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 that Unit Owner's tenant. All leases shall also comply with and be subject to the provisions of Section 18 hereof.

- 17.8 Weight and Sound Restrictions. The installation of any improvement or heavy object must be submitted to and approved by the Board of Administration, and be compatible with the structural design of the Building. The Board of Administration may require the review of a structural engineer. Floor coverings shall meet the engineering design standard for the Building and be compatible with the structural and architectural design of the Building. The Board of Administration will have the right to specify the exact material used. These use guidelines are consistent with good design practices for the waterproofing and structural designs. Owners will be held strictly liable for violation of these restrictions and for all damages resulting therefrom and the Board of Administration has the right to require immediate removal of violations. Applicable warranties of the Developer, if any, shall be voided by violations of this Paragraph 17.8.
- 17.9 Exterior Improvements; Landscaping. No Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies 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. No restrictions herein shall prevent any Unit Owner, pursuant to Section 718.113(4), F.S., from displaying one portable, removable United States flag in a respectful way and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, displaying in a respectful way portable, removable official flags, not larger than 4¹/₂ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration rules or requirements dealing with flags or decorations.
- 17.10 Effect on Developer; Association. With the exception of Sections 17.2, 17.3 and 17.7 hereof, the restrictions and limitations set forth in this Section 17 shall not apply to the Developer or to Units owned by the Developer unless the Rules of the Florida Department of Business and Professional Regulation or the Act require otherwise. 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. Selling, Leasing and Mortgaging of Units.

18.1 Sale of Units. A Unit Owner who sells or leases his Unit or any interest therein shall give to the Association a written notice of such sale or lease, together with the name and address of the purchaser or lessee, and such other information as the Association may reasonably require, so that the Association will have accurate, current records of the names and addresses of all owners and lessees.

18.2 Association's Approval of Leases. Except as provided below, Units shall not be leased without the prior written approval of the Association of both the lease and lessee. The Association has the right to require that a substantially uniform form of lease be used. The provisions of the Condominium Act, this Declaration, the Articles, the Bylaws and the rules and regulations of the Association shall be deemed expressly incorporated into any leases of a Unit. Subleases of Units are prohibited. Notwithstanding the lease of his Unit, the liability of the Unit Owner under this Declaration shall continue. The Association must either approve or disapprove a lease and lessee within 10 days after its receipt of a request for such approval, which request shall be accompanied by such information as the Board may reasonably require. One of the grounds for the Association's disapproval of a lease of a Unit may include a Unit Owner being delinquent in the payment of an Assessment (or Special Assessment, to the extent allowed by law) at the time approval is sought. If approved, a recordable Certificate of Approval shall be executed by the Association at the expense of the lessee. If the Association fails to give the Unit Owner written notice of its approval or disapproval of the proposed lease within the time period set forth in this Paragraph 18.2, the proposed lease and lessee shall be deemed approved.

18.3 Mortgagee's Rights. The Association shall not have the right to approve a lease for any Unit as provided in Section 18.2 of this Section 18 with respect to any lease of a Unit in connection with the foreclosure of a mortgage by a Mortgagee (or the acceptance of a deed in lieu of foreclosure).

18.4 Exceptions. The provisions of this Section 18 shall not apply with respect to any lease of any Unit by (a) the Unit Owner thereof to his spouse, children, parents, parents-in-law, siblings or a trustee, corporation or other entity where the Unit Owner or the aforementioned related persons are and continue to be the sole beneficiary or equity owner of such trustee, corporation or other entity, or to any one or more of the above, or (b) the Association; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Section 18.

- 18.5 Effect on Developer; Association. With the sole exception of Paragraph 18.2 above, the restrictions and limitations set forth in this Section 18 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 18 for good cause shown.
- 18.6 Mortgage of Units. Each Unit Owner shall have the right to mortgage his Unit without restriction.
- 18.7 Transfer Fees. The Association may, at its option, charge a transfer fee in connection with the furnishing of a certificate for the lease of a Unit in connection with the Association's right of approval provided for in this Section 18; provided, however, if the lease is a renewal (or if a lease is with the same lessee) no charge shall be made. Additionally, the Association may, at its option, charge a transfer fee in connection with the sale of a Unit. The transfer fee may be preset by the Association but in no event shall it exceed the maximum amount allowed under the Act. The transfer fee shall be on a per applicant basis other than husband/wife or parent/dependent child, which are considered one applicant.
19. 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:
- 19.1 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.
- 19.2 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 Bylaws, 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 or Unit Owner, as the case may be, shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable fines and to sue in a court of law for damages. Unit Owners shall have similar rights of action against the Association. In addition, the Association shall have 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.

- 19.3 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 reasonably attorneys' fees (including appellate attorneys' fees) as may be awarded by the court.
- 19.4 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.
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 80 percent of the applicable interests in the Common Elements (after 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 80 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 Mortgagee, so long as the Primary Institutional First Mortgagee holds first mortgages on Units which have at least 67 percent of the voting interests in the Association or by Mortgagees which have at least 67 percent of the voting interests in the Association. 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 Mortgagees and the Developer so long as it owns any Unit.
21. Additional Rights of Institutional First Mortgagees.

- 21.1 Upon written request to the Association by a Mortgagee, or the insurer or guarantor of any first mortgage encumbering a Unit, such Mortgagee, insurer or guarantor, if its request specifies the name, address and factual basis of entitlement of the requesting party, in addition to the right to examine the Association's books and records and to receive notice of and attend Association meetings, and any other rights provided herein, shall be entitled to prompt written notice of:
- (a) any condemnation or casualty loss that affects either a material portion of the Condominium Property or any Unit encumbered by its Mortgage;
 - (b) any 60 day delinquency in the payment of Assessments, Special Assessments or charges owed by the Unit Owner of any Unit on which it holds the Mortgage;
 - (c) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
 - (d) any proposed action which requires the consent of a specified percentage of Mortgagees.
- 21.2 Any Mortgagee, upon written request, shall be entitled to receive from the Association a financial report for the immediately preceding fiscal year.
- 21.3 Any Mortgagee who has registered its name with the Association shall be provided with written notice prior to the effective date of any proposed, material amendment to this Declaration, or the Articles or Bylaws.
- 21.4 In the event that any party which has financed the construction of the Condominium Property (the "Acquiring Party") acquires title to any Unit(s) owned by Developer (or on which Developer held a mortgage which was assigned to the Acquiring Party) as a result of the foreclosure of a mortgage(s) thereon or the giving of a deed in lieu of foreclosure or in satisfaction of debt, such party shall automatically succeed to all rights, benefits and privileges of Developer hereunder (and under the Articles, Bylaws and rules and regulations of the Association), except to the extent the Acquiring Party specifically disclaims any of such rights, benefits or privileges in a written notice to the Association. Notwithstanding the foregoing or anything to the contrary contained in this Declaration (or in the Articles, Bylaws or rules and regulations), the Acquiring Party shall in no manner be obligated or liable for any duties, obligations, warranties, liabilities, acts or omissions of Developer (i) occurring or arising from facts existing (regardless of when same became known or should have become known) prior to the date the Acquiring Party succeeds to the rights, benefits and privileges of Developer or (ii) otherwise not directly attributable to the

Acquiring Party solely in its own right, except that the Acquiring Party may not appoint a majority of the association's board of directors after a majority of the units have been sold, unless the obligations of Developer have also been assigned. The foregoing shall be in addition to, and not in derogation of, the Acquiring Party's rights, benefits and privileges as same may exist elsewhere in, under or in connection with this Declaration (or the Articles, Bylaws or rules and regulations).

21.5 This Declaration, including the Articles, Bylaws and rules and regulations, may be enforced by any Mortgagee and shall be subject to the following:

- (a) Breach of any of the covenants contained in this Declaration or the Bylaws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by any Mortgagee. Any judgment rendered in any action or proceeding to enforce this Declaration or the Bylaws shall include a sum for attorneys' fees, in such amount as the court may deem reasonable, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.
- (b) The result of every act or omission whereby any of the covenants contained in this Declaration or the Bylaws are violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity with respect to nuisances, either public or private, shall be applicable and may be exercised by any Mortgagee.
- (c) The remedies herein provided for breach of the covenants contained in this Declaration or in the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.
- (d) The failure of the any Mortgagee to enforce any of the covenants contained in this Declaration or in the Bylaws shall not constitute a waiver of the right to enforce any other covenants or the same covenant(s) thereafter.

21.6 Except as provided by statute in case of condemnation or substantial loss to the Units and/or Common Elements, unless at least two-thirds of the Mortgagees (based upon one vote for each first mortgage owned), or Owners (other than the Developer) have given their prior written approval, the Association shall not be entitled to:

- (a) By act or omission seek to abandon or terminate the Condominium;
- (b) Change the pro rata interest or obligations of any individual Unit for the purpose of (a) levying assessments or charges or allocating

distributions of hazard insurance proceeds or condemnation awards, or (b) determining the pro rata share of ownership of each Unit in the Common Elements;

- (c) Partition or subdivide any Unit;
- (d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Owners shall not be deemed a transfer within the meaning of this clause.);
- (e) Use hazard insurance proceeds for losses to any portion of the Condominium for other than the repair, replacement or reconstruction of such portion.

22. Covenant Running With The Land. All provisions of this Declaration, the Articles,, Bylaws 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, Bylaws 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, Bylaws and applicable rules and regulations of the Association, as they may be amended from time to time, by such Unit Owner, tenant or occupant.

23. Additional Provisions.

23.1 Notices. All notices to the Association required or desired hereunder or under the Bylaws 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 to mortgagees of Units shall be sent by first class mail to their respective addresses, or such other address as may be

designated by them 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 business days after proper mailing, whichever shall first occur.

- 23.2 Interpretation. The Board of Administration 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.
- 23.3 Mortgagees. 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.
- 23.4 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.
- 23.5 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 Assistant 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.
- 23.6 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.
- 23.7 Litigation – Compliance and Default.
- (a) Each unit owner, each tenant and other invitee, and the association shall be governed by, and shall comply with the provisions of, Chapter 718, Florida Statutes, the declaration, the documents creating the association, and the association bylaws and the provisions thereof shall be deemed expressly incorporated into any lease of a unit. Actions for damages or for injunctive relief, or both, for failure to comply with

these provisions may be brought by the association or by a unit owner against:

- (i) The association.
 - (ii) A unit owner.
 - (iii) Directors designated by the developer, for actions taken by them prior to the time control of the association is assumed by unit owners other than the developer.
 - (iv) Any director who willfully and knowingly fails to comply with these provisions.
 - (v) Any tenant leasing a unit, and any other invitee occupying a unit.
- (b) The prevailing party in any such action or in any action in which the purchaser claims a right of voidability based upon contractual provisions as required in 718.503(1)(a), Florida Statutes is entitled to recover reasonable attorney's fees. A unit owner prevailing in an action between the association and the unit owner under this section, in addition to recovering his or her reasonable attorney's fees, may recover additional amounts as determined by the court to be necessary to reimburse the unit owner for his or her share of assessments levied by the association to fund its expenses of the litigation. This relief does not exclude other remedies provided by law. Actions arising under this subsection shall not be deemed to be actions for specific performance.
- (c) The association may contract, sue, or be sued with respect to the exercise or nonexercise of its powers. For these purposes, the powers of the association include, but are not limited to, the maintenance, management, and operation of the condominium property. After control of the association is obtained by unit owners other than the developer, the association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all unit owners concerning matters of common interest to most or all unit owners, including, but not limited to, the common elements; the roof and structural components of a building or other improvements; mechanical, electrical, and plumbing elements serving an improvement or a building; representations of the developer pertaining to any existing or proposed commonly used facilities; and protesting ad valorem taxes on commonly used facilities and on units; and may defend actions in eminent domain or bring inverse condemnation actions. If the association has the authority to maintain a class action, the association may be joined in an action as representative of that class with reference to litigation and disputes involving the matters for which the association could bring a class action. Nothing herein limits any statutory or common-law right of any individual unit owner or class of unit owners to bring any action

without participation by the association which may otherwise be available.

- 23.8 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 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 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 the time necessary to cure or correct same) in which to cure or correct 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 23.8 and of Section 23.7 above, as shall the Association.

This Article 23.8, "Construction Litigation", is presently ineffective and unenforceable based upon an Order issued by the Division of Florida Land Sales, Condominiums and Mobile Homes (hereinafter "Division"): However, the Division's Order is currently on appeal in the First District Court of Appeal of Florida in a case styled, Department of Business and Professional Regulation, Division of Florida Land Sales, Condominiums and Mobile Homes vs. Lennar Homes, Inc., Case No. 1D03-3020. In the event the First District Court of Appeal of Florida, or another court, reverses the Division's Order, the article titled "Construction Litigation" shall be enforceable and such provision shall have retroactive effect.

- 23.9 Refund of Taxes, Fees and Other Charges. Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by the Developer to any governmental authority, utility company or any other

entity which at a later date are refunded in whole or in part, shall be returned to the Developer in the event said refund is received by the Association.

- 23.10. Disclaimer of Warranties. The Developer shall establish and fund reserve accounts for capital expenditures and deferred maintenance, pursuant to section 718.618, F.S. Therefore, the Developer makes no warranties of any kind, express or implied, except those imposed by Section 718.203 and 718.618(6), Florida Statutes to the extent applicable and to the extent that same have not expired by their terms. As to such warranties which cannot be disclaimed, and to other claims, if any, which can be made as to the aforesaid matters, all incidental and consequential damages arising therefrom are hereby disclaimed.

All Units Owners, by virtue of acceptance of title to their respective Units (whether from the Developer or another party) shall be deemed to have automatically waived all of the aforesaid disclaimed warranties and incidental and consequential damages.

Unless specifically required by the Act or the applicable rules of the Florida Administrative Code, the Developer shall have no liability for any economic or non-economic damages to the Unit Owner. The only remedy available to the Unit Owner and/or Association shall be to compel the Developer to correct any construction defects that may be required by the Act or the applicable rules of the Florida Administrative Code.

- 23.11 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.
- 23.12 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.
- 23.13 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 provisions of this Declaration, and the Articles and Bylaws of the Association, and applicable rules and regulations, are fair and reasonable in all material respects.

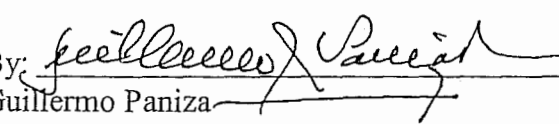
- 23.14 Execution of Documents; Attorney-in-Fact. Without limiting the generality of other Sections of this Declaration and without such other Sections limiting the generality hereof, each Owner, by reason of the acceptance of a deed to such Owner's Unit, hereby agrees to execute, at the request of the Developer all documents or consents which may be required by all governmental agencies to allow the Developer to complete the plan of the Condominium, as such plan 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.
- 23.15 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.
- 23.16 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.

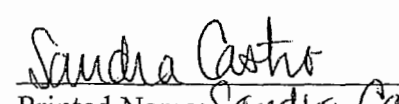
IN WITNESS WHEREOF, the Developer has caused this Declaration to be duly executed and its corporate seal to be hereunto affixed this 1st day of November, 2004.

Signed, sealed and delivered
in the presence of:

505 Deerfield, LLC, a Florida limited
liability company


Printed Name: KEVIN L DEEB

By: 
Guillermo Paniza
Managing Member

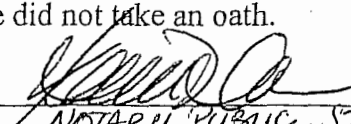

Printed Name: Sandra Castro

STATE OF FLORIDA)
) ss.
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 1st day of November, 2004, by Guillermo Paniza, as Managing Member of 505 Deerfield, LLC, a Florida limited liability company. He is personally known to me or has produced a Florida Driver's License as identification. He did not take an oath.



KEVIN L. DEEB
MY COMMISSION # DD 141301
EXPIRES: August 12, 2006
Bonded Thru Budget Notary Services


NOTARY PUBLIC, STATE OF FLORIDA
KEVIN L DEEB

Notary Public, State of Florida

Printed Name: KEVIN L DEEB

Commission Expires:


CONSENT

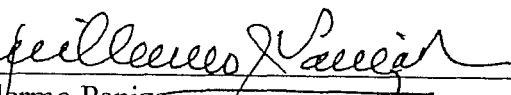
505 Deerfield Condominium Association, Inc., a Florida non-profit corporation, hereby agrees to accept all the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of the Declaration of Condominium and Exhibits attached thereto.


IN WITNESS WHEREOF, it has caused this Consent to be executed this 1st day of November, 2004.

Signed, sealed and delivered
in the presence of:

505 Deerfield Condominium Association,
Inc., a Florida non-profit corporation

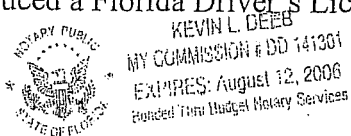

Printed Name: KEVIN L DEEB


By: 
Guillermo Paniza,
President


Printed Name: Sandra Castro

STATE OF FLORIDA)
) ss.
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 1st day of November, 2004, by Guillermo Paniza, as President of 505 Deerfield Condominium Association, Inc., a Florida non-profit corporation. He is personally known to me or has produced a Florida Driver's License as identification. He did not take an oath.




Notary Public, State of Florida
Printed Name: KEVIN L DEEB

Commission Expires:

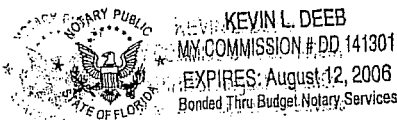


Exhibit "i"

The ownership share of Common Elements and Common Expenses assigned to each unit shall be based upon an equal fractional basis. Each Unit shall have an undivided share in the ownership of the Common Elements and Common Expenses equal to one/thirty-sixth (1/36).

Each Unit's proportional share is allotted as follows:

Unit No.	Unit Type	Percentage % Ownership
101	C	2.78%
102	C	2.78%
103	C	2.78%
104	C	2.78%
105	C	2.78%
106	C	2.78%
107	A	2.78%
108	A	2.78%
109	A	2.78%
110	A	2.78%
111	A	2.78%
112	A	2.78%
113	A	2.78%
114	A	2.78%
115	A	2.78%
116	A	2.78%
117	A	2.78%
118	A	2.78%
201	D	2.78%
202	D	2.78%
203	D	2.78%
204	D	2.78%
205	D	2.78%
206	D	2.78%
207	E	2.78%
208	B	2.78%
209	B	2.78%
210	B	2.78%
211	B	2.78%
212	B	2.78%
213	B	2.78%
214	B	2.78%
215	B	2.78%
216	B	2.78%
217	B	2.78%
218	B	2.78%
TOTAL		100%

<u>NO. OF UNITS</u>	<u>UNIT TYPE</u>	<u>EACH UNIT PROPORTIONAL SHARE</u>	<u>TOTAL AMOUNT</u>	<u>PERCENTAGE IN COMMON ELEMENTS</u>
12	A	1/36	12/36	12/36
11	B	1/36	11/36	11/36
6	C	1/36	6/36	6/36
6	D	1/36	6/36	6/36
1	E	1/36	1/36	1/36

36 TOTAL RESIDENTIAL UNITS

TOTAL RESIDENTIAL INTEREST = 100%

EXHIBITS A AND B

SURVEY, PLOT PLAN AND GRAPHIC DESCRIPTION OF IMPROVEMENTS

"505 DEERFIELD CONDOMINIUM"

PREPARED FOR:
505 DEERFIELD, LLC


GENERAL NOTES:

1. DIMENSIONS AS SHOWN HEREON ARE IN FEET AND DECIMALS THEREOF AND ARE SUBJECT TO NORMAL CONSTRUCTION TOLERANCES.
2. ELEVATIONS DEPICTED ON EXHIBITS REFER TO NATIONAL GEODETIC VERTICAL DATUM OF 1929 AND ARE EXPRESSED IN FEET.
3. C.E. = DENOTES COMMON ELEMENT
L.C.E. = DENOTES LIMITED COMMON ELEMENT
4. ELECTRONIC CAD FILES WERE BASED FROM CONSTRUCTION PLANS, APPROVED BY THE CITY OF DEERFIELD, PLANNING AND ZONING BOARD AND PREPARED BY:
JACOBSON & CURRIE
ARCHITECTS AND PLANNERS
DELRAY BEACH, FLORIDA
5. UNIT MEANS A PART OF THE CONDOMINIUM PROPERTY WHICH IS SUBJECT TO EXCLUSIVE OWNERSHIP. FOR UNIT BOUNDARIES PLEASE REFER TO THE DECLARATION OF CONDOMINIUM
6. LIMITED COMMON ELEMENTS MEANS AND COMPRISES THAT ELEMENTS WHICH ARE RESERVED FOR THE USE OF CERTAIN CONDOMINIUM UNITS AS TERRACES AND BALCONIES AND THE ASSIGNED PARKING SPACES, IF ANY. (PLEASE REFER TO THE DECLARATION OF CONDOMINIUM)
7. COMMON ELEMENTS MEANS THE PORTION OF THE CONDOMINIUM PROPERTY NOT INCLUDED IN THE CONDOMINIUM UNIT, BUT SHALL INCLUDE EASEMENTS THROUGH EACH UNIT (IF ANY) FOR ELECTRICAL CONDUITS, PLUMBING PIPES, DUCTS, TELEPHONE LINES AND OTHER FACILITIES (FOR THE INSTALLATION AND MAINTENANCE OF UTILITY SERVICES TO EACH UNIT AND THE COMMON ELEMENTS), (PLEASE REFER TO THE DECLARATION OF CONDOMINIUM)

SURVEYOR'S CERTIFICATION:

THIS CERTIFICATION MADE THIS 18th DAY OF DECEMBER, 2003, BY THE UNDERSIGNED LAND SURVEYOR AND MAPPER AUTHORIZED TO PRACTICE IN THE STATE OF FLORIDA, IS MADE PURSUANT TO THE PROVISIONS OF SECTION 718. 104(3)(e) OF THE FLORIDA STATUTES, AS AMENDED IN 1998, AND DULY CERTIFIES:

- THAT THE MAP OF BOUNDARY SURVEY AND SURVEYOR'S REPORT, FLOOR PLANS, ROOF PLAN AND ELEVATION DIAGRAM AND OTHER GRAPHIC DESCRIPTIONS AND MATERIALS, ARE IN SUFFICIENT DETAIL TO IDENTIFY THE COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND EACH CONDOMINIUM UNIT AND THEIR RELATIVE LOCATION AND APPROXIMATE DIMENSIONS.
- THAT THE CONSTRUCTION OF THE IMPROVEMENTS IS SUBSTANTIALLY COMPLETE SO THAT THE MATERIAL, TOGETHER WITH THE PROVISIONS OF THE DECLARATION DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS AND SO THE IDENTIFICATION, LOCATION, AND DIMENSIONS OF THE COMMON ELEMENTS AND OF EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS.
- THAT THE PLANNED IMPROVEMENTS, INCLUDING, BUT NOT LIMITED TO, LANDSCAPING, UTILITY SERVICES AND ACCESS TO THE UNITS, AND COMMON ELEMENT FACILITIES SERVING THE BUILDING IN WHICH THE UNITS TO BE CONVEYED ARE LOCATED HAVE BEEN SUBSTANTIALLY COMPLETED.


JOSE SENAS, PSM
REGISTERED SURVEYOR AND MAPPER No. 5938
STATE OF FLORIDA
DATE: DECEMBER 18, 2003

NOTE: CONDOMINIUM EXHIBITS ARE NOT VALID UNLESS IT BEARS THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER. ADDITION OR DELETIONS TO THIS DOCUMENT BY OTHER THAN THE SIGNING PARTY ARE PROHIBITED WITHOUT THE WRITTEN CONSENT OF THE SIGNING PARTY.

\\Drawings\\Senas\\Broward County\\Condominium\\505 Deerfield LLC\\505 NE 20 Avenue, Deerfield Beach.dwg 11/09/2004 11:22:40 AM EST

INSHINE UNITED CONSULTANTS, INC.

Land Surveying - Mapping - Planning
Certificate of Authorization LB 7138
State of Florida

7830 N.W. 174th TERRACE

CONDOMINIUM EXHIBITS

505 NE. 20th AVENUE
DEERFIELD BEACH, FLORIDA

DATE: 12-18-03

JOB NO. 0312461

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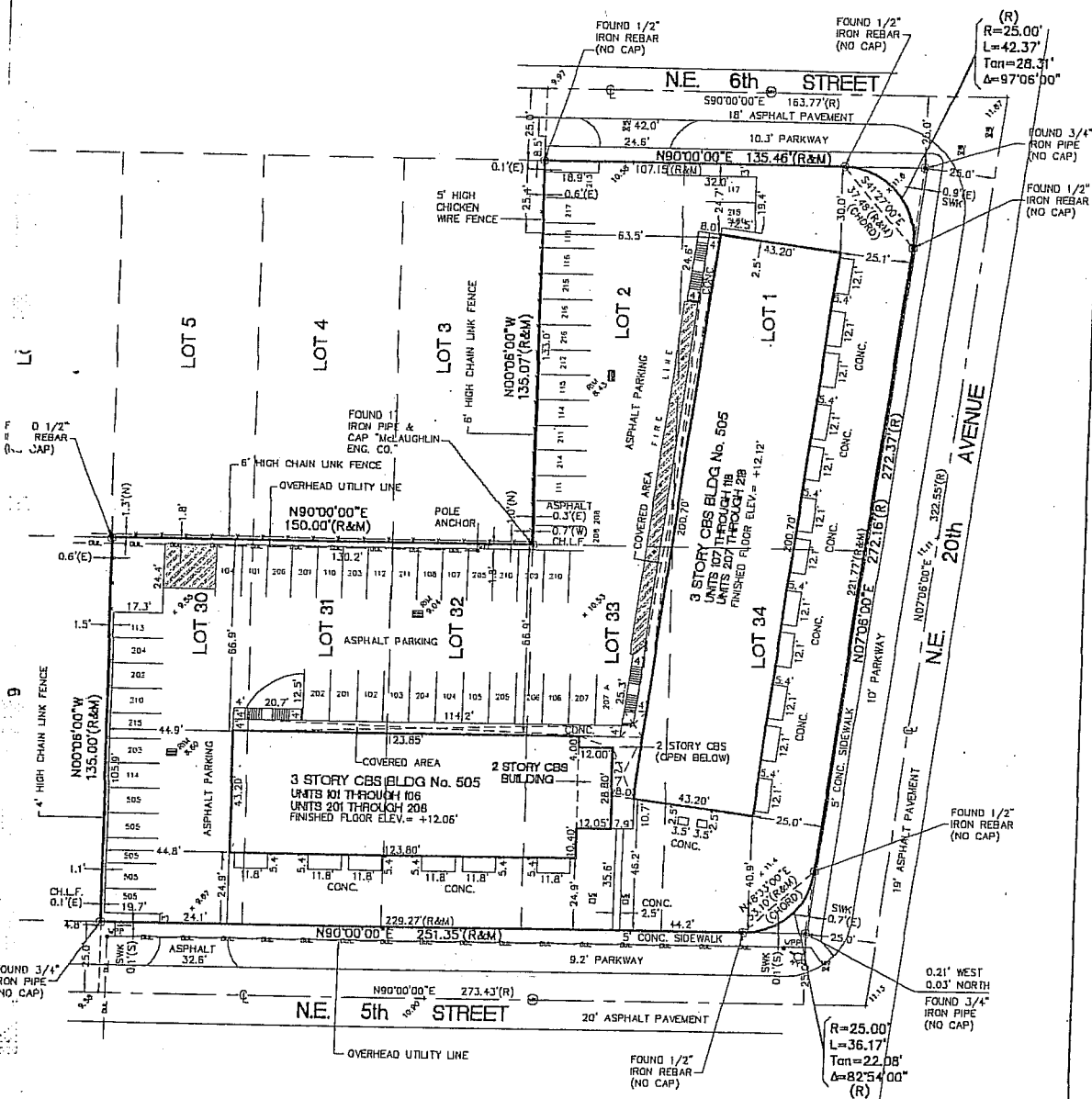
CHECKED JS

DATE: 11-09-04



0 25 50 100

GRAPHIC SCALE IN FEET



LEGEND:

- | | | | |
|---------------------------|-----------------------------------|---------------------------------|----------------------------|
| - RADIUS CURVE | CLF - CHAIN LINK FENCE | WF - WOOD FENCE | - LIGHT POLE |
| - CENTRAL ANGLE | BLDG - BUILDING | ID - IDENTIFICATION | - IRRIGATION CONTROL VALVE |
| - ARC LENGTH | F.F.E. - FINISHED FLOOR ELEVATION | FPL - FLORIDA POWER & LIGHT CO. | - TELEPHONE BOX |
| - POINT OF CURVATURE | (N) - NORTH | CB - CATCH BASIN | - SANITARY SEWER CLEAN-OUT |
| - POINT OF TANGENCY | (S) - SOUTH | DYM - WATER METER | - GUARD POST |
| - POINT OF COMPOUND CURVE | (E) - EAST | WPP - WOOD POWER POLE | - SPOT ELEVATION |
| - POINT OF REVERSE CURVE | (W) - WEST | WV - WATER VALVE | - CENTERLINE |
| - CONCRETE | A/C - AIR CONDITIONING UNIT | • - FIRE HYDRANT | |
| - STORY | (R) - RECORD VALUE | • - CABLE TELEVISION BOX | |
| - CONCRETE BLOCK & STUCCO | (M) - FIELD MEASURED VALUE | | |
| - BUILDING | (C) - CALCULATED VALUE | | |
| | CHLF - CHAIN LINK FENCE | | |

MAP OF BOUNDARY SURVEY
(ATTACHED AS SITE PLAN)

Drawings\Senas\Broward County\Condominium\505 Deerfield LLC\505 NE 20 Avenue, Deerfield Beach.dwg 11/09/2004 11:22:40 AM EST

NSHINE UNITED CONSULTANTS, INC.

Land Surveying-Mapping-Planning
Certificate of Authorization LB 7138
State of Florida

7830 NW 174th TERRACE

BOUNDARY SURVEY

505 NE 20th AVENUE

DATE: 12-18-03

JOB NO. 0312461

DRAWN JS

CHECKED JS

LEGAL DESCRIPTION:

Lots 1, 2, 30, 31, 32, 33 and 34, in Block 8 of "OCEAN VUE" according to the plat thereof, as recorded in Plat Book 3 at Page 34 of the Public Records of Broward County, Florida.

SURVEYOR'S REPORT:

Field Survey Date: December 12, 2003

The accuracy obtained by field measurement methods and office calculations meets and exceeds the Minimum Technical Standards requirements for a Commercial/High Risk area (1 foot in 10,000 feet) as defined in Rule 61G17-6, Florida Administrative Code.

The Map of Survey is intended to be displayed at the stated graphic scale in English units of measurement. Attention is brought to the fact that said drawing may be altered in scale by the reproduction process.

Bearings as shown hereon are base upon an assumed value of N90°00'00"E for the centerline of NE. 5th Street, as depicted on the Map of Survey.

This survey was conducted for the purpose of a BOUNDARY SURVEY only and is not intended to delineate the regulatory jurisdiction of any federal, state, regional or local agency, board, commission or other entity.

All elevations refer to National Geodetic Vertical Datum of 1929. Benchmark No. 1930. Elevation = +26.32 feet. Located at bridge over the Intracoastal Waterway, on Sate Road No. 810 (East Hillsboro Boulevard), near SE. 18th Avenue, City of Deerfield Beach, Broward County, Florida.

Legal description was furnished by the client.

Legal Description subject to any dedications, limitations, restrictions, reservations or recorded easements.

The surveyor makes no representation as to ownership, possession or occupation of the subject property by any entity or individual.

There may be legal restrictions on the subject property that are not shown on the Map of Survey that may be found in the Public Records of Miami-Dade County, or the records of any other public and private entities as their jurisdictions may appear.

Subsurface improvements and/or encroachments within, upon, across, abutting or adjacent to the subject property were not located and are not shown.

Not valid without the signature and original raised seal of a Florida Licensed Surveyor and Mapper. Additions and deletions to this Map of Survey by other than the signing party are prohibited without the written consent of the signing party.

Surveyor's Certification coverage is up to the field survey date only and not to the signature date.

FLOOD ZONE INFORMATION:

Community No. 125101
Panel No. 0109, Suffix: F
FIRM Panel Date: August 18, 1992 FIRM Index Date: October 2, 1997
Flood Zone: "X"
Base Flood Elevation = N/A

The Survey Map is not full and complete without the attached Survey Report.

PROPERTY ADDRESS:

505 N.E. 20th Avenue, Deerfield Beach, Florida, 33441

FOLIO NUMBER (PARCEL IDENTIFICATION NUMBER):

4843-05-02-1130

This Map of Survey has been prepared for the exclusive use of the entities named herein and the certification does not extend to any unnamed party or any other purpose for which it was prepared.

CERTIFY TO:

505 DEERFIELD, LLC

SURVEYOR'S CERTIFICATION:

I hereby certify: That this "BOUNDARY SURVEY" of the Map of Survey resulting therefrom was performed under my direction and is true and correct to the best of my knowledge and belief and further, that said "BOUNDARY SURVEY" meets the intent of the "Minimum Technical Standards for Land Surveying in the State of Florida", pursuant to Rule 61G17-6 of the Florida Administrative Code and its implementing Rule, Chapter 472.027 of the Florida Statutes.

Jose Senas

Jose Senas, PSM
Registered Surveyor and Mapper No. 5938
State of Florida.

Drawings\Senas\Broward County\Condominium\505 Deerfield LLC\505 NE 20 Avenue, Deerfield Beach.dwg 11/09/2004 11:22:40 AM EST

INSHINE UNITED CONSULTANTS, INC.

Land Surveying-Mapping-Planning
Certificate of Authorization LB 7138
State of Florida
7830 N.W. 174th TERRACE

BOUNDARY SURVEY

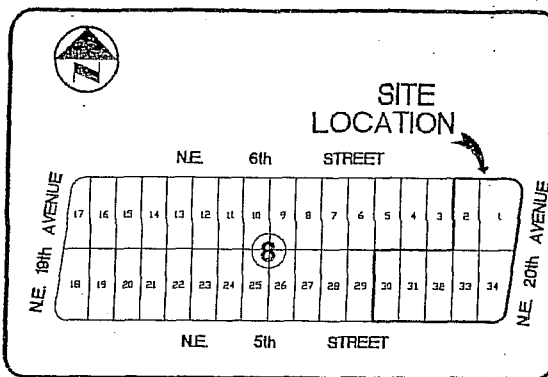
505 NE. 20th AVENUE

DATE: 12-18-03

JOB NO. 0312461

DRAWN JS

CHECKED JS



LOCATION MAP
NOT TO SCALE

EXHIBIT C
ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION
OF
505 DEERFIELD CONDOMINIUM ASSOCIATION, INC.

The undersigned, for the purpose of forming a corporation not-for-profit under the laws of the State of Florida, hereby adopts the following articles of incorporation:

ARTICLE I – NAME OF CORPORATION

The name of the Corporation shall be 505 DEERFIELD CONDOMINIUM ASSOCIATION, INC., and shall hereinafter be referred to as the Corporation.

ARTICLE II – OFFICE OF THE CORPORATION

The principal office of the Corporation shall be at 2850 Douglas Road, PH-4, Coral Gables, Florida 33134 and the mailing address of the corporation shall be the same.

ARTICLE III – PURPOSE OF THE CORPORATION

The purpose for which the Corporation is organized is to provide an entity pursuant to the Florida Corporation Act for the operation of a condominium located in Miami-Dade County, Florida known as 505 Deerfield, a condominium.

ARTICLE IV – POWERS OF THE CORPORATION

1. The Corporation shall have all the common law and statutory powers of a Corporation not-for-profit which are not in conflict with the terms of these Articles.
2. The Corporation shall have all the powers granted by Chapter 718, Florida Statutes, as amended from time to time.
3. The Corporation shall have all the powers reasonable necessary to implement the purposes of the Corporation, and all of the powers granted to it in the Declaration of Condominium when said Declaration is recorded in the public records of Miami-Dade County, Florida and as more particularly described in the Bylaws, as the Declaration and Bylaws may be amended from time to time, including, but not limited to, the following:
 - (a) To make and collect Assessments, Special 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 and other property acquired or leased by the Association for use by Unit Owners.

(d) To purchase insurance upon the Condominium 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 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 Bylaws, and the rules and regulations for the use of the Condominium.

(h) To contract for the management and maintenance of the Condominium 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, Special 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 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 the 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. 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 Bylaws.

5. 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 to a profit corporation or a public agency, except in the event of a termination of all the Condominium or as otherwise authorized under Chapter 617 of Florida Statutes.

ARTICLE V – MEMBERS

1. All unit owners shall be members of the Corporation and no other person or entity shall be entitled to membership.

2. Membership in the Corporation shall be established by recording in the public records of Miami-Dade County, Florida a deed or other instrument of conveyance establishing a record title holder to a condominium parcel in the condominium and notification in writing to the

Corporation of such recording information as provided in the Declaration of Condominium. The membership of the prior owner shall cease upon recording of the instrument of conveyance.

3. The share of the member in the funds and assets of the Corporation shall not be assigned, pledged or transferred in any manner except as an appurtenance to the individual condominium parcel.

4. 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 Bylaws. Any person or entity owning more than one Unit shall be entitled to one vote for each Unit owned.

5. The Bylaws 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 VI – DIRECTORS

1. The affairs of the Association shall be managed by a Board of Directors consisting of three (3) persons, all of whom must be members of the condominium association, except that prior to turnover of control from the Developer, members of the Board may be officers, directors or managing agents of the Developer, regardless of whether such person is the owner of a unit in his/her individual capacity.

2. In the event that a unit is owned by a corporation, trust or by more than one person (such as a husband and wife), the unit owner shall appoint an individual to exercise its voting rights.

3. The Developer of the Condominium shall appoint the members of the first Board of Administration and their replacements who shall hold office for the periods described in the Bylaws.

4. 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 Bylaws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the Bylaws.

ARTICLE VII – OFFICERS

The affairs of the Association shall be administered by the officers holding the offices designated in the Bylaws. 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 Administration. The Bylaws may provide for the removal from office of officers, for filling vacancies and for the duties of the officers. The officers shall be President, Vice-President, Secretary and Treasurer.

ARTICLE VIII – INDEMNIFICATION

1. Every Director and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney fees reasonably incurred or imposed upon him/her in connection with any proceeding to which he/she may be a party, or in which he/she may become involved by reason of his being or having been an officer or director, except in such cases where the director or officer is adjudged guilty of any type of willful wrongdoing in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

2. 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 IX – BY-LAWS

The Bylaws of the Corporation shall be those Bylaws set forth as an Exhibit to the Declaration of Condominium and may only be altered, amended or rescinded in the manner provided by said Bylaws and the Declaration.

ARTICLE X – AMENDMENTS

These Articles may be amended by an affirmative vote of seventy-five percent (75%) of the members of the Association. 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 Article IV, 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 Bylaws, 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.

ARTICLE XI – TERM

The term of the Corporation shall be the life of the Condominium. Termination of the corporation shall require the unanimous action of the Members.

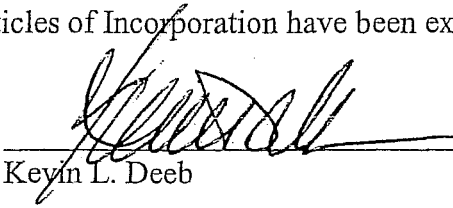
ARTICLE XII – INCORPORATOR

The name and address of the incorporator is Kevin L. Deeb, Esquire, 2350 Coral Way, Suite 401, Miami, Florida 33145.

ARTICLE XIII – REGISTERED AGENT

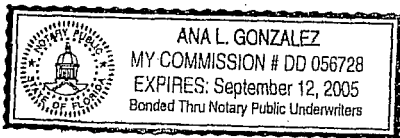
The registered agent of the Corporation shall be Kevin L. Deeb, Esquire, 2350 Coral Way, Suite 401, Miami, Florida 33145-3536.

IN WITNESS WHEREOF, these Articles of Incorporation have been executed this 1st day of December, 2004.


Kevin L. Deeb

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

I HEREBY CERTIFY that on the 1st day of December, 2004, before me, the undersigned authority, personally appeared Kevin L. Deeb who is personally known me or has produced _____ as identification and who executed the foregoing Articles of Incorporation and acknowledged before me that he executed the same for the purposes therein expressed.



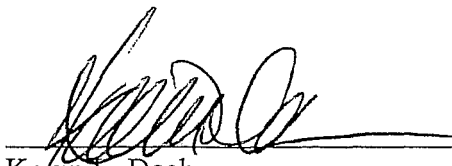
My Commission Expires:


Printed Name: Ana Gonzalez
NOTARY PUBLIC, STATE OF FLORIDA

ACCEPTANCE OF DESIGNATION OF REGISTERED AGENT

Having been named as registered agent and to accept service of process for the above stated corporation, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligation of my position as registered agent.

DATED: December 1, 2004.


Kevin L. Deeb
Registered Agent

This instrument was prepared by:
Kevin L. Deeb, Esquire
Deeb & Deeb, P.A.
2350 Coral Way, Suite 401
Miami, Florida 33145-3536

EXHIBIT D

BY-LAWS OF THE CONDOMINIUM ASSOCIATION

**BYLAWS
OF
505 Deerfield Condominium Association, Inc.
A corporation not for profit organized
under the laws of the State of Florida**

1. Identity. These are the Bylaws of 505 Deerfield 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 the Condominium described in the Articles of Incorporation of the Association.
 - 1.1 Principal Office. The principal office of the Association shall be at 2850 Douglas Road, PH-4, Coral Gables, Florida 33134 or at such other place as may be subsequently designated by the Board of Administration. 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 Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these Bylaws shall have the same definition and meaning as those set forth in the Articles or Declaration for the Condominium, unless herein provided to the contrary, or unless the context otherwise requires.
3. Members. The members of the Association ("Members") shall be as specified in the Articles.
 - 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 Administration from time to time, provided that there shall be an annual meeting every calendar year. To the extent possible, the annual meeting shall be held during September, October, November or December and no later than 12 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 Meeting. 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 Administration of the Association. A special meeting 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.

- (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 Bylaws. As used in these Bylaws, 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 Members and not a majority of the Members themselves and shall further mean more than 50% 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 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. 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. 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 by any record owner of an undivided interest in the Unit. If a certificate designating the person entitled to cast the vote for a Unit 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. If a 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. 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).

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

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

- 3.10 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 or Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 3.11 Action Without A Meeting. Except for those approvals by Unit Owners required by the Condominium Act, the Declaration, or these Bylaws to be made at a duly noticed meeting of Unit Owners which shall be subject to all requirements of the Condominium Act, or the Declaration, Articles or these Bylaws relating to Unit Owner decision-making, any action which may be taken at any annual or special meeting of such 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 authorize or take such action at a meeting of such Members at which a quorum of such Members (or authorized persons) entitled to vote thereon were present and voted. Nothing herein, however, shall alleviate or relieve the Association, under Section 3.1 of these Bylaws, of its requirement to hold an annual meeting.

Within 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 and Representation. The affairs of the Association shall be managed and governed by a Board of three Directors, the exact number initially to be set forth in the Articles, and thereafter, except as provided herein, to be determined from time to time upon majority vote of the membership. Except for Directors appointed by the Developer, all Directors shall be Unit Owners.

4.2 Election of Directors. The members of the board shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the board, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided in this chapter. Not less than 60 days before a scheduled election, the association shall mail, deliver, or electronically transmit, whether by separate association mailing or included in another association mailing, delivery, or transmission, including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the board must give written notice to the association not less than 40 days before a scheduled election. Together with the written notice and agenda as set forth in subparagraph 2., the association shall mail, deliver, or electronically transmit a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the association shall include an information sheet, no larger than 8½ inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing, delivery, or transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the association. The association is not liable for the contents of the information sheets prepared by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper. The division shall by rule establish voting procedures consistent with the provisions contained herein, including rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the board. No unit owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid, provided any unit owner who violates this provision may be fined by the association in accordance with section 718.303, F.S. A unit owner who needs assistance in casting the ballot for the reasons stated in section 101.051, F.S. may obtain assistance in casting the ballot. The regular election shall occur on the date of the annual meeting. The provisions of this subparagraph shall not apply to timeshare condominium associations. Notwithstanding the provisions of

this subparagraph, an election is not required unless more candidates file notices of intent to run or are nominated than board vacancies exist.

4.3 Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of Directors by Members, vacancies in the Board of Administration occurring between annual meetings of Members shall be filled by majority action of the remaining Directors, provided that all vacancies in directorships to which Directors were appointed by the Developer pursuant to the provisions of paragraph 4.14 hereof shall be filled by the Developer without the necessity of any meeting. The action of the remaining Directors to fill the vacancy shall be by closed ballot.
- (b) *Recall of board members.*--Subject to the provisions of Section 718.301, Florida Statutes, any member of the board of administration 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. A special meeting of the unit owners to recall a member or members of the board of administration may be called by 10 percent of the voting interests 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 voting interests by a vote at a meeting, the recall will be effective as provided herein. The board shall duly notice and hold a board meeting within 5 full business days of the adjournment of the unit owner meeting to recall one or more board members. At the meeting, the board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or shall proceed as set forth in subparagraph (iii) below.
 - (ii) If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the association by certified mail or by personal service in the manner authorized by Chapter 48 and the Florida Rules of Civil Procedure. The board of administration shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing. At the meeting, the board 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 5 full business days any and all records and property of the association in 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 does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the meeting, file with the division a petition for arbitration pursuant to the procedures in Section 718.1255, Florida Statutes. For the purposes of this section, the 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 board, the recall will be effective upon mailing of the final order of arbitration to the association. If the association fails to comply with the order of the arbitrator, the division may take action pursuant to Section 718.501, Florida Statutes. Any member or members so recalled shall deliver to the board any and all records of the association in their possession within 5 full business days of the effective date of the recall.

(iv) If the board fails to duly notice and hold a board meeting within 5 full business days of service of an agreement in writing or within 5 full business days of the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the board members so recalled shall immediately turn over to the board any and all records and property of the association.

(v) If a vacancy occurs on the board as a result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If vacancies occur on the board as a result of a recall and a majority or more of the board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division, which rules need not be consistent with this subsection. The rules must provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but prior to the recall election.

(vi) The conveyance of all Units owned by a Director in the Condominium who owned one or more Units at the time he was elected or appointed (other than appointees of the Developer) shall constitute the resignation of such Director.

- (c) When both a developer and other unit owners are entitled to representation on a board of administration pursuant to Section 718.301, Florida Statutes, or Rule 61B-23.003, Florida Administrative Code, the following provisions apply to recall and replacement of board members elected or appointed by a developer:

(i) Only units owned by the developer shall be counted to establish a quorum for a meeting to recall and replace a board member who was elected or appointed by that developer.

(ii) The percentage of voting interests required to recall a board member who was elected or appointed by a developer is a majority of the total units owned by that developer.

(iii) A board member who is elected or appointed by a developer may be recalled only by that developer.

(iv) Only the developer may vote, in person or by limited proxy, to fill a vacancy on the board previously occupied by a board member elected or appointed by that developer.

When both a developer and other unit owners are entitled to representation on a board of administration pursuant to Section 718.301, Florida Statutes, or Rule 61B-23.003, Florida Administrative Code, the following provisions apply to recall and replacement of board members elected or appointed by unit owners other than a developer:

(i) Only units owned by unit owners other than a developer shall be counted to establish a quorum at a meeting to recall and replace a board member elected by unit owners other than a developer.

(iii) The percentage of voting interests required to recall a board member elected by unit owners other than a developer, is a majority of the total units owned by unit owners other than a developer.

(iii) A board member who is elected by unit owners other than a developer may be recalled only by unit owners other than a developer.

(iv) Only unit owners other than a developer may vote, in person or by limited proxy, to fill a vacancy on the board previously occupied by a board member elected by unit owners other than a developer.

- (d) If the association fails to fill vacancies on the board of administration sufficient to constitute a quorum in accordance with the bylaws, any unit owner may apply to the circuit court within whose jurisdiction the condominium lies for the appointment of a receiver to manage the affairs of the association. At least 30 days prior to applying to the circuit court, the unit owner shall mail to the association and post in a conspicuous place on the condominium property a notice describing the intended

action, giving the association the opportunity to fill the vacancies. If during such time the association fails to fill the vacancies, the unit owner may proceed with the petition. If a receiver is appointed, the association shall be responsible for the salary of the receiver, court costs, and attorney's fees. The receiver shall have all powers and duties of a duly constituted board of administration and shall serve until the association fills vacancies on the board sufficient to constitute a quorum.

- 4.4 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. Notwithstanding the foregoing, any Director designated by the Developer shall serve at the pleasure of the Developer and may be removed and replaced by the Developer at any time.
- 4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed members of the Board of Administration shall be held within ten 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.
- 4.6 Board Meetings. Meetings of the Board of Administration at which a quorum of the members is present shall be open to all Unit Owners. Any Unit Owner may tape record or videotape meetings of the Board of Administration. The right to attend meetings includes the right to speak at such meetings with reference to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements. Adequate notice of all meetings, which notice shall include an agenda, shall be posted conspicuously on the Condominium Property or Association Property at least 48 continuous hours preceding the meeting except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. However, written notice of any meeting at which non-emergency Special Assessments, or at which new rules, or amendments to existing rules regarding Unit use will be considered, shall be mailed or delivered to the Unit Owners and posted conspicuously on the Condominium Property or Association Property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice requirement shall be made by an affidavit executed by the person providing the notice of the meeting and filed among the official records of the Association. Upon notice to the Unit Owners, the Board shall by duly adopted rule designate a specific location on the Condominium Property or Association Property upon which all notices of Board meetings shall be posted. If there is no Condominium Property or Association Property upon which notices can be posted, notices of Board meetings shall be mailed or delivered at least 14 days before the meeting to each Unit Owner. Notice of any meeting in which 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. Meetings of a committee to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are subject to the provisions of this Section 4.6. A Director of the Association who is present at a meeting of its Board 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. Directors may not vote by proxy or by secret ballot at Board meetings, except that officers may be elected by secret ballot. A vote or abstention for each Director present shall be recorded in the minutes.

- 4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the 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.
- 4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the then incumbent 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 Administration, except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these Bylaws.
- 4.9 Adjourned Meetings. If, at any proposed meeting of the Board of Administration, 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.
- 4.10 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).
- 4.11 Order of Business. If a quorum has been attained, the order of business at Directors' 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;
- (g) Adjournment.

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

- 4.12 Minutes of Meetings. The minutes of all meetings of the Board of Administration 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 years.
- 4.13 Executive Committee; Other Committees. The Board of Administration may, by resolution duly adopted, appoint an Executive Committee to consist of three or more members of the Board of Administration. Such Executive Committee shall have and may exercise all of the powers of the Board of Administration in management of the business and affairs of the Condominium or Association during the period between the meetings of the Board of Administration 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 or Association, (b) to determine the Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium or Association, (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 (h) and (q) of Section 5 below.

The Board may by resolution also create other committees and appoint persons to such committees and invest in such committees such powers and responsibilities as the Board shall deem advisable.

- 4.14 Proviso. Notwithstanding anything to the contrary contained in this Section 4 or otherwise, the Board shall consist of three 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 Administration until Unit Owners other than the Developer own 15 percent or more of the Units that will be operated ultimately by the Association. When Unit Owners other than the Developer own 15 percent or more of the Units that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one-third of the members of the Board of Administration. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Administration (a) three years after 50 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three months after 75 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; or (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 years after recordation of the Declaration, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one member of the Board of Administration as long as the Developer holds for sale in the ordinary course of business 5 percent of the Units that will be operated ultimately by the Association. Following the time the Developer relinquishes control of the Association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration. Upon election of the first Unit Owner by Members other than the Developer to the Board of Administration, the Developer shall forward to the Division the name and mailing address of the Unit Owner Member so elected.

The Developer can 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 be the affirmative obligation of Unit Owners other than the Developer to elect Directors and assume control of the Association. Provided at least 60 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 75 days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Administration, or earlier if the Developer has elected to accelerate such event as aforesaid, the Association shall call, and give not less than 60 days' notice of an election for the members of the Board of Administration. The notice may be given by any Unit Owner if the Association fails to do so.

At the time that Unit Owners other than the Developer elect a majority of the members of the Board of Administration of the Association, the Developer shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, or for the purposes of subparagraph (g) below, not more than 90 days thereafter, the Developer shall deliver to the Association, at the Developer's expense, all property of the Unit Owners and of the Association held or controlled by the Developer, including, but not limited to, the following items, if applicable:

- (a) The original or a photocopy of the recorded Declaration of Condominium, and all amendments thereto. If a photocopy is provided, the Developer, or an officer or agent of the Developer shall 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 Bylaws of the Association;
- (d) The minute books, including all minutes, and other books and records of the Association, if any;
- (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 from the incorporation of the Association through the date of turnover. The records shall be audited for the period from the incorporation of the Association or from the period covered by the last audit, if an audit has been performed for each fiscal year since incorporation, by an independent certified public accountant. All financial statements shall be prepared in accordance with generally accepted accounting principles and shall be audited in accordance with generally accepted auditing standards, as prescribed by the Florida Board of Accountancy, pursuant to Florida Statutes, Chapter 473. 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 and Special Assessments, if any;
- (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 in writing 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 the improvements and the supplying 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 his 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 serving 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 year prior to the date the Unit Owners take control of the Association;
- (n) All written warranties of contractors, sub- contractors, suppliers 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;
- (r) All other contracts to which the Association is a party; and
- (s) A list of the names and addresses, of which the Developer had knowledge at any time in the development of the Condominium, of all contractors, subcontractors, and suppliers utilized in the construction or remodeling of the improvements and in the landscaping of the Condominium or Association Property.

5. Powers and Duties. The Board of Administration shall have the powers and duties necessary for the management and 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 Bylaws may not be delegated to the Board of Administration by the Unit Owners. Such powers and duties of the Board of Administration shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining the Common Elements of the Condominium and Association Property.

- (b) Determining the expenses required for the operation of the Condominium and the Association.
- (c) Collecting the Assessments for Common Expenses of the Condominium and Association from Unit Owners.
- (d) Collecting Special Assessments from Unit Owners.
- (e) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements of the Condominium and Association Property.
- (f) Adopting and amending rules and regulations concerning the details of the operation and use of the Condominium Property and Association Property, subject to a right of the Unit Owners to overrule the Board as provided in Section 13 hereof.
- (g) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
- (h) Purchasing, leasing or otherwise acquiring Units or other property in the name of the Association, or its designee.
- (i) Purchasing Units at foreclosure or other judicial sales, in the name of the Association, or its designee.
- (j) Selling, leasing, mortgaging or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association, or its designee.
- (k) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.
- (l) Obtaining, maintaining and reviewing insurance for the Condominium Property and Association Property.
- (m) 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.
- (n) Enforcing obligations of the Unit Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Condominium.

- (o) 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.
- (p) Borrowing money on behalf of the Association when required in connection with the acquisition of property, and granting mortgages on and/or security interests in Association Property; provided, however, that the consent of the Owners of a least two-thirds (2/3rds) of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of \$10,000.00. If any sum borrowed by the Board of Administration on behalf of the Association 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 thereof as his interest in the Common Elements or in the Association Property bears to the interest of all the Unit Owners in the Common Elements or in Association Property 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 against, or which will affect, such Unit Owner's Unit.
- (q) Contracting for the management and maintenance of the Condominium or Association Property and authorizing a management agent (who 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, Special Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements or Association Property 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, Special 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 or Association Property 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) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these Bylaws, and in the Florida Condominium Act, and (ii) all powers incidental thereto, and all other powers of a Florida corporation not for profit.
- (t) Imposing a lawful fee in connection with the approval of the sale, mortgage, lease, sublease or other transfer of Units, not to exceed the maximum amount permitted by law in any one case.
- (u) Contracting with and creating special taxing districts.

- (v) Bringing, settling or compromising any claims or lawsuits involving matters in which all Unit Owners have a common interest.
- (w) Contracting with a cable operator licensed in Broward County to provide cable television service on a bulk rate basis to Unit Owners.
- (x) Conveying a portion of the Common Elements to a condemning authority for the purposes of providing utility easements, rights-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.
- (y) Pursuant to Section 718.112(2)(l), Florida Statutes, a certificate of compliance from a licensed electrical contractor or electrician may be accepted by the association's board as evidence of compliance of the condominium units to the applicable fire and life safety code.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Administration and who may be peremptorily removed at any meeting at which a quorum of Directors is attained by concurrence of a majority of all of the present Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Administration 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 the vice president of an association and as shall otherwise be prescribed by the Directors.
- 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 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 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 Administration.

6.6 Developer Appointees. No officer appointed by the Developer may be removed except as provided in Section 4.14 hereof and by law.

7. Compensation. Neither Directors nor officers shall receive compensation for their services as a Director or officer.

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 later date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any Director or officer (other than appointees of the Developer) constitute a written resignation of such Director or officer.

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 Administration shall from time to time, and at least annually, prepare a budget for the Condominium and a budget for the Association itself (which shall detail all accounts and items of expenses and contain at least all items set forth in Section 718.504(21) of the Act, if applicable), determine the amount of Assessments payable by the Unit Owners to meet the expenses of the Condominium and the Association and allocate and assess such expenses among the Unit Owners in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount of reserves shall be computed by means of a formula which is based upon

estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. Reserves shall not be required for the Association or for the Condominium if the Members have by a majority vote at a duly called meeting of the Association, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. The Developer may only vote in favor of waiver of reserves during the first two fiscal years of operation, and after transfer of Association control pursuant to Paragraph 4.14 hereof. During any time the Developer remains in control of the Association after the first two fiscal years of operation, the developer may not vote to waive reserves. No waiver shall be effective for more than one fiscal year. No waiver is effective unless conducted at a meeting at which a majority of the voting interests are present, in person or by proxy, and a majority of those present in person or by proxy vote to waive or reduce reserves. If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall not be used for other purposes, except payment of income taxes on the interest earned and other direct expenses of maintaining reserve accounts, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests, voting in person or by limited proxy at a duly called meeting of the Association. Prior to turnover of control to the Association by Developer to Unit Owners other than Developer pursuant to paragraph 4.14 hereof, the Developer controlled Association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the Association.

The adoption of a budget for the Condominium and Association by the Board of Administration shall comply with the requirements hereinafter set forth:

- (i) Notice of Meeting. The Board shall mail or hand deliver to each Unit Owner at the address last furnished to the Association a notice of meeting and a copy of the proposed annual budget of Common Expenses not less than 14 days prior to the meeting of the Unit Owners or the Board of Administration at which the budget will be considered. Evidence of compliance with this 14-day notice must be made by an affidavit executed by an

officer of the Association or the manager or other person providing notice of the meeting and filed among the official records of the Association. The meeting must be open to the Unit Owners.

- (ii) Special Membership Meeting. If a budget is adopted by the Board of Administration which requires Assessments against Unit Owners in any year exceeding 115 percent of such Assessments for the preceding year, as hereinafter defined, upon written application of 10 percent of the Unit Owners to the Board, a special meeting of the Unit Owners shall be held within 30 days of delivery of such application to the Board of Administration. Each Unit Owner shall be given at least 14 days' written notice of said meeting. At the special meeting, Unit Owners shall consider and adopt a budget. The adoption of said budget requires a vote of Unit Owners of not less than a majority of all the Units (including Units owned by the Developer) which are present at such meeting (in person or by proxy) at which a quorum is attained.
 - (iii) Determination of Budget Amount. In determining whether a budget requires Assessments against Unit Owners in any year exceeding 115 percent of Assessments for the preceding year, there must be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Administration in respect of repair or replacement of the Condominium Property or Association 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 or Association Property and all Special Assessments [including surcharges against specific Unit Owner(s)].
 - (iv) Proviso. As long as the Developer is in control of the Board of Administration of the Association, the Board may not impose Assessments for a year greater than 115 percent of the prior year's Assessments, 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 Administration shall be unable to adopt a budget for a fiscal year in accordance with the requirements of Subsection 9.1(a) above, the Board of Administration 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. Alternatively, the Board of Administration may propose a budget in writing to all Members. If either such budget is approved by the Members present at such meeting, or receiving such written budget, upon ratification by a majority of the Board of Administration, the budget is adopted.

- 9.2 Assessments. Assessments against the Unit Owners for their share of the items of the budget shall be made for the applicable fiscal year annually, if possible at least 10 days 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 quarter (or each month 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 quarterly (or monthly) installments on such Assessment shall be due upon each installment payment date until changed by an amended Assessment. However, when the association fails to adopt a budget for a given year, any waiver of reserve funding which may have taken place in the last prior Assessment, pursuant to section 718.112(2)(f)2, Florida Statutes is only effective for one fiscal year and cannot be automatically carried forward to a subsequent fiscal year. In the event the annual Assessment proves to be insufficient, the budget and Assessments may be amended at any time by the Board of Administration, subject to the provisions of Section 9.1 hereof, if applicable. Unpaid Assessments for the remaining portion of the fiscal year for which an amended Assessment is made shall be payable in as many equal installments as there are full quarters (or months) of the fiscal year left as of the date of such amended Assessment. Each such quarterly (or monthly) installment shall be paid on the first day of the quarter (or month), commencing the first day of the next ensuing quarter (or month). If only a partial quarter (or month) 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 of the Condominium or the Association shall be payable in advance. These charges shall be collected separately from Assessments for Common Expenses. 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 exclusive use of portions of the Condominium Property or other Association Property, maintenance services furnished at the expense of an Owner, other services furnished for the benefit of an Owner and fines and damages and other sums due from such Owner.
- 9.4 Special Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual Assessments for Common Expenses shall be due immediately upon notice given to the Unit Owners

concerned, and shall be paid in such manner as the Board of Administration of the Association may require in the notice of Special Assessment.

- 9.5 Depository. The depository of the Association shall be such bank(s) or savings and loan association(s) in the State as may be required by the provisions of the Condominium Act and as designated from time to time by the Directors and in which the monies of the Association shall be deposited. Said accounts shall be in the association's name. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All funds of the Association shall be maintained separately in accounts in the Association's name. For investment purposes only, reserve funds may be commingled with operating funds of the association. Commingled operating and reserve funds shall be accounted for separately, and a commingled account shall not, at any time, be less than the amount identified as reserve funds. A manager or business entity required to be licensed or registered under section 468.432, Florida Statutes, or an agent, employee, officer, or director of the association, shall not commingle any association funds with his or her funds or with the funds of any other person.
- 9.6 Acceleration of Assessment or Special Assessment Installments upon Default. Pursuant to Section 718.112(2)g, Florida Statutes, and subject to Section 718.116(5), Florida Statutes, if a Unit Owner shall be in default in the payment of an installment upon an Assessment or Special Assessment, the Board of Administration or its agent may accelerate the remaining installments of the annual Assessment or Special Assessment not less frequently than quarterly unless a lien is recorded prior to the acceleration for the delinquent assessments, and such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.
- 9.7. Fidelity Insurance or Fidelity Bonding. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the President, Secretary and Treasurer of the Association. The Association shall bear the cost of bonding.
- 9.8 Accounting Records and Reports. The Association shall maintain accounting records for the Association and for the Condominium within the State, according to good accounting practices normally used by similar associations or the manager under any applicable management contract. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each Unit designating the name and current mailing

continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the Unit Owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied. The provisions of this Section 16.3 do not apply to unoccupied Units.

17. Conflicts. In the event of any irreconcilable conflict, the provisions of the Declaration shall be superior to the provisions of the Declaration shall be superior to the provisions of the Articles, which shall be superior to the provisions of these Bylaws.

The foregoing was adopted as the Bylaws of 505 Deerfield Condominium Association, Inc., a Florida non-profit corporation organized under the laws of the State of Florida, at its first meeting of the Board of Administration on this 1st day of November, 2004.

Approved:

By: Guillermo Paniza
Guillermo Paniza, President

SCHEDULE "A" TO BYLAWS

RULES AND REGULATIONS

OF

505 Deerfield, a Condominium

In addition to the provisions of the Declaration of Condominium of 505 Deerfield, a Condominium (the "Declaration"), and the Articles of Incorporation ("Articles") and Bylaws ("Bylaws") of 505 Deerfield Condominium Association, Inc., the following rules and regulations, together with such additional rules and regulations as may be adopted hereafter by the Board of Administration, shall govern the use of Units, Common Elements and other property owned by the Association or subject to use rights held by the Association ("Association Property"), and the conduct of all Unit residents, whether Unit Owners, approved lessees, or the guests of Unit Owners or lessees. All defined terms herein shall have the same meaning as in the Declaration, Articles and Bylaws.

(1) In order to enhance the beauty of the Building and for safety purposes, the sidewalks, entrances, passages, stairways, walkways and all similar Common Elements and other Association Property, must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises; nor shall any carts, carriages, chairs, tables, or any other similar objects be stored therein. Bicycles may be stored only in Units or in other specifically designated areas.

(2) Unit Owners shall store personal property within their respective Units and designated storage areas.

(3) No garbage cans, supplies, milk bottles, or other articles shall be placed on balconies, nor shall any linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind, or other articles, be shaken or hung from any such balconies or terraces or part of the Common Elements or Association Property. To provide a healthy environment and in order to eliminate odors and vermin, all garbage must be placed in plastic bags and deposited with all refuse ONLY in the areas so designated. The Common Elements and Association Property shall be kept free and clear of rubbish, debris, and other unsightly material.

(4) So as to maintain the cleanliness of the Condominium Property, no Unit Owner shall allow anything whatsoever to fall from the window or doors of his Unit, nor shall he sweep or throw therefrom any dirt or other substances upon the grounds.

(5) No vehicles other than automobiles shall be permitted to park within the Condominium Property or Association Property, except for the purpose of making deliveries or providing repair services to a Unit. For purposes of this rule, "automobile" does not include any type of van, camper, truck, etc. No vehicle which cannot operate on its own power shall remain within

the Condominium Property or Association Property for more than 24 hours. No vehicles shall be repaired within the Condominium Property or Association Property, except in emergencies.

(6) In order that labor costs may be kept to a minimum, employees of the Association may not be sent out of the Condominium Property by any Unit Owner at any time for any purpose. No Unit Owner or resident may direct, supervise, or in any manner attempt to assert control over the employees or agents of the Association.

(7) Servants and domestic help of the Unit Owners may not gather or lounge in the Common Elements or Association Property.

(8) In order that all Unit Owners may have the quiet enjoyment of their property, no Unit Owner shall make or permit any disturbing noises on the Condominium Property or Association Property by himself, his family, servants, employees, agents, visitors, and licensees, nor do or permit anything by such persons that will interfere with the reasonable rights, comforts or conveniences of the Unit Owners. No Unit Owner shall unreasonably play or suffer to be played upon any musical instrument or operate or suffer to be operated, a phonograph, television, radio or sound amplifier, in his Unit in such a manner as to disturb or annoy other Unit Owners. No Unit Owner shall conduct or permit to be conducted, vocal or instrumental instruction at any time.

(9) No radio or television installation may be permitted in a Unit which interferes with the television or radio reception of another Unit. No antenna or aerial may be erected or installed on the roof or exterior walls of a Building without the written consent of the Board of Administration of the Association, except that this prohibition shall not be applicable to television or radio installations permitted or contemplated by the Declaration.

(10) In order to maintain an attractive appearance, 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 or Association Property without the written consent of the Board.

(11) In order to protect the Condominium Property, each Unit Owner who plans to be absent from his Unit during the hurricane season must prepare his Unit prior to his departure by:

(a) Removing all furniture, plants and other objects from his terrace or balcony, where applicable; and

(b) Designating a responsible firm or individual to care for his Unit should same suffer hurricane damage, and furnishing the Board of Administration with the name of such firm or individual. Such firm or individual shall contact the Board for clearance to install or remove hurricane shutters, and such party shall be subject to the approval of the Board.

(12) In order that a Building may maintain an attractive and uniform appearance, no Unit Owner shall make any alterations to the exterior or his Unit or cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, windows or roof, except with the

prior written consent of the Board and/or the Architectural Review Committee, if applicable. Unit Owners are prohibited from installing security bars on the exterior of their Units.

(13) No fences may be erected upon the Condominium Property.

(14) Pets belonging to Unit Owners who have signed a pet permission agreement (as formulated from time to time by the Board) and which pets have been approved by the Board will be allowed within the Condominium Property and Association Property subject to the following restrictions:

- (a) No animal other than household, domestic animals weighing less than 25 pounds (dogs, cats, small birds) shall be permitted upon the Condominium Property or Association Property at any time. Each Unit owner shall be limited to one animal at any given time. Prior to permitting animal upon condominium property, a Unit owner must register the pet with the Board and obtain approval from the Board.
- (b) No animal may be kept, bred or maintained for any commercial purpose.
- (c) Tenants shall not be permitted to have any dogs or cats.
- (d) Each animal brought or kept upon the Condominium Property or Association Property shall be at all times under the control of its Unit Owner.
- (e) Each Unit Owner shall promptly remove and properly dispose of all waste matter deposited by his animal upon the Condominium Property or Association Property.
- (f) No animal shall be allowed to constitute a nuisance.
- (g) 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. A violation of the provisions of this Rule shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Unit Owners and/or to require any pet to be permanently removed from the Condominium Property upon three days' notice.
- (h) The Board shall have the right to promulgate Rules further restricting the keeping of pets.

(15) In case of any emergency originating in, or threatening any Unit, the Association, subject to the relevant provisions in the Declaration and applicable law, shall have the immediate right to enter such Unit for the purpose of remedying or abating the cause of such emergency, notwithstanding that the Unit Owner of such Unit is present at the time of such emergency. To facilitate entry in the event of any such emergency, the Association shall have a master key to fit the door locks to all Units. If an Unit Owner wants to change a lock or to have a second lock installed as additional security, said Unit Owner shall deposit with the Board (at such Unit Owner's expense) a duplicate key for each such lock.

(16) Children shall be the direct responsibility of their parents or legal guardians who must supervise them while they are within the Condominium Property. Full compliance with these Rules and Regulations and all other rules and regulations of the Association shall be required of children. Playing shall not be permitted in any of the walkways, stairways and elevator areas, and loud noises will not be tolerated. Children shall play in designated areas only.

(18) There shall be no solicitation by any person anywhere in a Building for any cause, charity, or any purpose whatsoever, unless specifically authorized by the Board.

(19) Any Unit Owner may display one portable, removable United States flag in a respectful way regardless of: (a) any provisions in the Declaration, or (b) any provisions in these rules and regulations, including, but not limited to, rules numbered (10) and (12) hereof, or (c) any requirements dealing with flags or decorations.

(20) No flammable, combustible or explosive fluids, chemicals or other substances may be kept in any Unit or on the Common Elements, except such as are normally used in small barbecues or for normal purposes.

(21) No barbecue grills, hibachis, or similar equipment shall be allowed on the terraces or balconies, if any.

(22) Food and beverages may not be consumed on the Common Elements except as specifically permitted by the Board of Administration.

(23) Curtains, drapes and other window coverings (including their linings) which face on exterior windows or glass doors of Units shall be white or off-white in color unless otherwise specifically approved by the Board of Administration.

(24) No aluminum foil may be placed in any window or glass door of a Unit, and no reflective substance may be placed on any glass in a Unit except a substance previously approved by the Board of Administration for energy conservation purposes.

(25) Every Unit Owner and occupant shall comply with these Rules and Regulations as set forth herein, any and all rules and regulations which from time to time may be adopted, and the provisions of the Declaration, Bylaws and Articles (all as amended from time to time) to the extent

applicable. Failure of a Unit Owner or occupant to comply shall be grounds for legal action which may include, without limitation, an action to recover sums due for damages, an action for injunctive relief, and any combination of such actions.

(26) The Board of Administration may (but need not) grant relief to one or more Unit Owners from specific rules and regulations upon written request for such relief and good cause shown (as determined by the Board in its sole opinion).

EXHIBIT E
SCHEDULE OF COMMON ELEMENTS

SCHEDULE OF COMMON ELEMENTS

Unit No.	Unit Type	Percentage % Ownership
101	C	2.78%
102	C	2.78%
103	C	2.78%
104	C	2.78%
105	C	2.78%
106	C	2.78%
107	A	2.78%
108	A	2.78%
109	A	2.78%
110	A	2.78%
111	A	2.78%
112	A	2.78%
113	A	2.78%
114	A	2.78%
115	A	2.78%
116	A	2.78%
117	A	2.78%
118	A	2.78%
201	D	2.78%
202	D	2.78%
203	D	2.78%
204	D	2.78%
205	D	2.78%
206	D	2.78%
207	E	2.78%
208	B	2.78%
209	B	2.78%
210	B	2.78%
211	B	2.78%
212	B	2.78%
213	B	2.78%
214	B	2.78%
215	B	2.78%
216	B	2.78%
217	B	2.78%
218	B	2.78%
TOTAL		100%

EXHIBIT 3

ESTIMATED OPERATING AND RESERVE BUDGET

505 DEERFIELD CONDOMINIUM ASSOCIATION (Note 1)
ESTIMATED OPERATING BUDGET
ANNUALIZED FIGURES FOR THE PERIOD BEGINNING UPON RECORDATION OF
THE DECLARATION AND ENDING ON DECEMBER 31 OF THAT SAME YEAR (Note 2)

Income

WITHOUT RESERVES

	<u>Monthly</u>	<u>Annually</u>
Cost per each Unit	\$ 192.43	\$ 2,309.11
Total Units	36	36
Total Income	\$ 6,927.33	\$ 83,128.00

WITH RESERVES

	<u>Monthly</u>	<u>Annually</u>
Cost per each Unit	\$ 206.65	\$ 2,479.75
Total Units	36	36
Total Income	\$ 7,439.24	\$ 89,270.86

Operating Expenses

	<u>Monthly</u>	<u>Annually</u>
Administration/Management/Bookkeeping	\$ 80.00	\$ 960.00
Annual Corporate Report, Licenses and Permits	\$ 8.33	\$ 100.00
Fees payable to the Division	\$ 12.00	\$ 144.00
Legal and Accounting	\$ 125.00	\$ 1,500.00
Insurance	\$ 3,600.00	\$ 43,200.00
Bank Service Charge	\$ 10.00	\$ 120.00
Total Administrative Expenses	\$ 3,835.33	\$ 46,024.00

Building Operations

Fire Alarm/Extinguishers	\$ 70.00	\$ 840.00
Landscape Maintenance	\$ 350.00	\$ 4,200.00
Pest Control	\$ 262.00	\$ 3,144.00
Repairs and Maintenance	\$ 150.00	\$ 1,800.00
Cleaning	\$ 400.00	\$ 4,800.00
Supplies	\$ 50.00	\$ 600.00

Total Building Operation Expenses \$ 1,282.00 \$ 15,384.00

Utility Expenses

Electric \$ 400.00 \$ 4,800.00

Water, Sewer and Garbage \$ 1,350.00 \$ 16,200.00

Bellsouth (alarm line) \$ 60.00 \$ 720.00

Total Utility Expenses \$ 1,810.00 \$ 21,720.00

TOTAL OPERATING EXPENSES \$ 6,927.33 \$ 83,128.00

	Estimated Life	Estimated Remaining Useful Life	Estimated Replacement Cost	Converter Reserve Account Balance	Monthly	Annually
Roof	20 Years	20 Years	\$ 40,000.00	\$ -	\$ 166.67	\$ 2,000.00
Plumbing	45 years	15 years	\$ 54,000.00	\$ 36,000.00	\$ 100.00	\$ 1,200.00
Painting	7 years	7 years	\$ 20,600.00	\$ -	\$ 245.24	\$ 2,942.86
Reserve Subtotal			\$ 114,600.00	\$ 36,000.00	\$ 511.91	\$ 6,142.86

SUB-TOTAL(Reserves) \$ 511.91 \$ 6,142.86

TOTAL OPERATING EXPENSES WITH RESERVES \$ 7,439.24 \$ 89,270.86

Estimated Assessments for Units:

(Note 7)

<u>Monthly</u>	<u>Annually</u>
\$ 206.57	\$ 2,479.08

NOTES TO BUDGET

- Note 1 The Condominium Association is the entity that is responsible for operating the Units in the Condominium.
- Note 2 The initial budgetary period shall begin upon the recording of the Declaration of Condominium and end on December 31 later that same year, unless the Board of Administration adopts a new budget for the Condominium Association's next fiscal (calendar) year in accordance with the provisions in Section 12 of the Declaration of Condominium and Section 9 of the Condominium Association's Bylaws. This budget has been prepared on the basis of estimated costs of operations as if the 36 Condominium Units in the Condominium were conveyed to purchasers and the experience of the Developer. It does not necessarily reflect the actual cost of the particular item of expense for the year.
- Note 3 The maintenance provides for the daily care and maintenance of the property which the Condominium Association is responsible to maintain.
- Note 4 The Board of Directors of the Condominium Association shall purchase public liability, property damage insurance, fidelity bond insurance, and flood insurance on the structures, if required, for the condominium building (the "Building"). The insurance coverage for the Buildings does not include Unit floor coverings, wall coverings or ceiling coverings and does not include the following equipment if it is located within a Unit and the Unit Owner is required to repair or replace such equipment: electrical fixtures, appliances, air conditioner or heating equipment, water heaters, or built-in cabinets. Each Unit Owner shall be responsible for purchasing liability insurance for accidents occurring in his Unit and for insurance for all of his personal property, including flood insurance. The insurance policy issued to individual Unit Owners must provide that the coverage afforded by such policy (or policies) is excess over the amount recoverable under any other policy covering the same property without rights of subrogation against the Condominium Association. See Florida Statutes, Section 718.111(11). In addition, the Condominium Act provides: "The owner of a unit may be personally liable for the acts or omissions of the association in relation to the use of the common elements, but only to the extent of his pro rata share of that liability in the same percentage as his interest in the common elements, and then in no case shall that liability exceed the value of his Unit." Accordingly, each Unit Owner should consider the benefits of obtaining an insurance policy to indemnify himself in such situations.

Note 5

There is no Recreation Lease and no Recreational Areas.

Note 6

In accordance with Florida Statutes, Section 718.112(2)(f)(2), this budget includes specific "reserve funds" for roof replacement, plumbing and building re-painting. These reserves are intended to cover major replacements and repairs which do not occur on a year to year basis, but which, due to the passage of time, would result in a significant cost in the year in which the replacement or major repair is necessary. The replacement cost for the "built-up" portion of the roof of the Building (based upon a 20-year useful life), the plumbing (based upon a 45-year useful life), and the building re-painting (based upon a 7-year useful life), has been determined on an item by item basis based upon current prices by reputable contractors to replace each includable item. However, any cost increases due to inflation may be partially offset by any interest earned on the reserve funds in an interest earned savings account, non-market certificates or other non-risk earnings accounts. Any interest earned may be subject to Federal Income taxation. The Developer has established reserve accounts for capital expenditures and deferred maintenance pursuant to Section 718.618(1). Section 718.122 further provides that the members of the Condominium Association by a majority vote at a duly called meeting of the Condominium Association may eliminate or reduce said reserve funds from the budget for that fiscal year only. If a meeting of the members has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget, shall go into effect. Additionally, prior to turnover of control of the Condominium Association by the Developer to the Unit Owners other than the Developer, the Developer may vote to waive the reserves for the first two fiscal years of the operation of the Condominium Association, beginning with the fiscal year in which the initial declaration is recorded, with the vote taken each fiscal year. The estimated replacement costs set forth in the budget are based on the straight-line contribution method. The amount to be reserved (the reserve funding) for each reserve item is calculated by dividing the estimated replacement cost of the item by the estimated remaining useful life. The estimated replacement cost is simply divided by the estimated remaining useful life or the estimated life of the item, as the case may be, to obtain equal annual contributions to the reserve fund. The estimated remaining useful life for the "built-up" portion of the roof, the plumbing and the building paint as of the date the budget was prepared, is 20 years, 15 years, and 7 years, respectively. As of the date the budget was prepared the Condominium was not created.

Note 7

The Developer hereby guarantees to each Unit Owner during the first interval of the Guaranty Period that the Assessment for Common Expenses will not increase over \$206.59 per month per Unit. The first interval shall commence on the recording of this Declaration and end on the first day of the thirteenth calendar month following the month in which the closing of title to the first Unit occurs, or the date upon which the Developer shall cease to control the Association, in accordance with Article 4.14 of the Bylaws, whichever is sooner (the "First Interval of the Guaranty Period"). Additionally, the Developer hereby guarantees to each Unit Owner that the

Assessment for Common Expenses will not increase over \$237.59 per month per Unit during the period commencing on the second day of the thirteenth calendar month following the month in which the closing of title to the first Unit occurs, for a period of one year, or the date upon which the Developer shall cease to control the Association, whichever is sooner (the "Second Interval of the Guaranty Period". Accordingly, in accordance with the provisions of Section 718.116 of the Condominium Act, the Developer shall be excused from the payment of its share of the Common Expenses which would have been assessed against Units owned by the Developer during the Guaranty Period. The Developer shall pay any amount of Common Expenses incurred during the Guaranty Period and not produced by the Assessments at the guaranteed level receivable from other Unit Owners (i.e., during the Guaranty Period, the Developer shall contribute an amount of money to the Association sufficient to eliminate any deficit between Assessments collectible from Unit Owners other than the Developer and the actual Common Expenses of the Condominium).

This guaranty is set forth in paragraph 13.6 of the Declaration.

Note 8

The following expenses are not applicable:

Rent for Recreation and Other Commonly Used Facilities (See Note 5)

Taxes upon Association Property

Taxes upon Leased Areas

Other Expenses

Operating Capital

Security Expenses

Management Fees (See Note 3 above)

The expenses shown in the foregoing budget are Association expenses collectible by Assessments. There are no Unit Owner expenses which are defined in the Condominium Act as (a) rent for the Unit, if subject to a lease, and (b) rent payable by the Unit Owner directly to the lessor or agent under any recreational lease or lease for the use of commonly used facilities.

EXHIBIT K
CONVERSION REPORT

November 30th, 2004

Department of Business and Professional Regulation
Division of Land Sales and Condominiums
Tallahassee, Florida 32399

Re: 505 Deerfield, A Condominium
505 Northeast 20th Street
Deerfield Beach, Florida

Dear Sir/Madam:

I hereby certify that on September 5, 2003, this office inspected the above referenced property. The existing buildings were constructed on or about January of 1973 . There are two (2) buildings that contain thirty six (36) units and are presently being used as a rental apartment complex.

The building complex contain three (3) stories and the layout of the units is as follows:

The first floor consists of:

Eighteen (18) residential units, one (1) electrical room with cable TV and telephone panel boards, one electric hot water heater for the laundry room, one (1) laundry room with four (4) cloth washers, three (3) cloth dryer, mailboxes, and three (3) stairwells leading to the second floor common corridor. Also located on this level are nine (9) stairs that lead to the entrance of the second and third floor two (2) and three (3) bedroom dwelling units. Mailboxes for all dwelling units.

The Second Floor

Six (6) three (3) bedroom dwelling units, eleven (11) two (2) bedroom dwelling units and one (1) four bedroom dwelling unit, three (3) stairwells located on the open air common corridor.

The Third Floor

This floor contains the upper floor of the dwelling units located at the second floor.

Parking:

Parking is located at grade level and consists of fifty five (55) paved parking spaces. This parking area is asphalt paved and drained with catch basins. There is a common trash bin area for all of the dwelling units.

Roof:

The roof is a pre fabricated wood truss system with a flat built-up roof finish.

The following is a general description of the existing structure.

General Building Description:

The building is constructed on a concrete spread footing foundation with steel reinforced concrete tie columns, steel reinforced tie beams, a 4" concrete slab with wire mesh reinforcement on grade for the first floor, steel reinforced pre cast concrete slab on the second floor, a wood joist floor system for the third floor and a pre fabricated engineered wood truss system for the roof. The exterior walls are constructed of C.B.S. block with a painted stucco finish on the outside and a painted gypsum wallboard finish on the interior. The exterior walls have single hung and awing type windows, and a metal hollow door to the entry of the units. The interior non-bearing partitions are constructed of wood studs with a painted gypsum wallboard finish. The ceiling of the first floor units has an acoustical finish, the ceiling of the second floor units has an acoustical finish and the ceiling of the third floor units has a one hour fire rated drywall finish. The roof is a pre fabricated engineered wood truss system with flat built-up roof finish.

The interior bearing walls that serve as a tenant separation are constructed of 8" masonry block units, which serve as a one (1) hour fire resistant. the interior non-bearing walls that serve as a tenant separation are constructed of wood frame studs construction with a one hour fire rated drywall finish. The exterior bearing walls of the structure, which are constructed of concrete masonry blocks serve as a one (1) hour fire resistant. The second floor slab are constructed of steel reinforced pre cast concrete slab, which also serve as a one (1) hour fire resistant. The requirement of the South Florida Building Code in place at the time that this building was constructed was satisfied for the requirements of fire ratings.

There was an addition to this property on or about May 28, 1987, prepared by Allen Davis, Architect. Whereby the open terrace area over the laundry room and entrance court was enclosed with wood frame walls, wire lath and stucco with a wood flat roof system.

This addition was permitted as an office, lounge area with one (1) bathroom. The electrical service for this addition was connected to the existing FP & L meter with a 60 amp., switch breaker disconnect and servicing an electrical panel located in the office area. This 60 amp. panel will be incorporated as a part of the electrical service for dwelling unit number 207, once this space is added to such dwelling unit.

Upon our inspection, this office/lounge area is now serving as an efficiency dwelling unit. There seems to be no records of a change documented in the City of Deerfield Beach, whereby this office/lounge area was approved as a dwelling unit. So therefore, unless otherwise provided, this site only contains the original thirty six (36) dwelling units and this efficiency dwelling unit will be incorporated as a part of dwelling unit number 207.

The final conversion will provide thirty six (36) residential dwelling units which the owner intends to sell the residential units in "as is" condition.

<u>Residential Units</u> <u>No. of Units</u>	<u>Type</u>	<u>Unit Type</u>	<u>Consisting of</u> <u>Residential Units</u>
12	1 BR/1 Bath	A	107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118
11	2 BR/1-1/2 Bath	B	208, 209, 210, 211, 212, 213 214, 215, 216, 217, 218
6	1 BR/1 Bath	C	101, 102, 103, 104, 105, 106
6	3 BR/2 Bath	D	201, 202, 203, 204, 205, 206
1	4 BR/2-1/2 Bath	E	207

36 TOTAL RESIDENTIAL UNITS

Each unit's proportional share is allotted as follows:

<u>No. of</u> <u>Units</u>	<u>Unit</u> <u>Type</u>	<u>Each Unit</u> <u>Proportional</u> <u>Share</u>	<u>Total</u> <u>Amount</u>	<u>Monthly Fee</u> <u>Per Unit</u>	<u>Percentage</u> <u>In Common</u> <u>Element</u>
12	A	1/36	12/36		12/36
11	B	1/36	11/36		11/36
6	C	1/36	6/36		6/36
6	D	1/36	6/36		6/36
1	E	1/36	1/36		1/36

36 TOTAL RESIDENTIAL UNITS TOTAL RESIDENTIAL INTEREST 1.000 = 100%

Each unit's square footage is allotted as follows:

<u>Unit Number</u>	<u>Unit Type</u>	<u>Square Footage of Each Unit</u>
107	A	663 sq. ft.
108	A	656 sq. ft.
109	A	656 sq. ft.
110	A	656 sq. ft.
111	A	656 sq. ft.
112	A	656 sq. ft.
113	A	656 sq. ft.
114	A	656 sq. ft.
115	A	663 sq. ft.
116	A	656 sq. ft.
117	A	656 sq. ft.
118	A	663 sq. ft.
207	E	2,032 sq. ft.
208	B	1,427 sq. ft.
209	B	1,427 sq. ft.
210	B	1,427 sq. ft.
211	B	1,427 sq. ft.
212	B	1,427 sq. ft.
213	B	1,427 sq. ft.
214	B	1,427 sq. ft.
215	B	1,427 sq. ft.
216	B	1,427 sq. ft.
217	B	1,427 sq. ft.
218	B	1,441 sq. ft.
101	C	852 sq. ft.
102	C	839 sq. ft.
103	C	839 sq. ft.
104	C	839 sq. ft.
105	C	839 sq. ft.
106	C	852 sq. ft.
201	D	1,820 sq. ft.
202	D	1,791 sq. ft.
203	D	1,791 sq. ft.
204	D	1,791 sq. ft.
205	D	1,791 sq. ft.
206	D	1,820 sq. ft.

Department of Business and Professional Regulation

505 Deerfield, A Condominium

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TOTAL SQUARE FOOTAGE OF

36 RESIDENTIAL UNITS

41,500 sq. ft.

Note: All square footage of areas and units were calculated by ReyMar & Associates, Inc., the Architect for this report, based on the existing building permit construction documents obtained from the City of Deerfield Beach, prepared by the offices of Jacobson & Currie, Architects and Planners, dated January 30, 1973 and the condominiums exhibits, prepared by the offices of Sunshine United Consultants, Inc., dated December 18, 2003

The condition of the structure and all of the mechanical, electrical, and plumbing systems were evaluated in light of the then applicable codes for anticipated apartment dwelling usage. The following is our current evaluation of all vital elements as required by the Department of Business and Professional Regulations.

1. ROOF:

The entire roof is a five (5) year warranty built-up roof system. The cost of replacing the existing one hundred and forty three (143) squares is estimated to be \$21,600.00. All the visual roofing elements of the buildings are functioning according to their intended uses and all are safe and sound.

Age.....Approximately 31 years
 Estimated remaining useful life.....Approximately 0 years
 Estimated current replacement cost.....Approximately \$21,600.00

Roof Replacement Cost per Residential Unit:

<u>Type</u>	<u>Cost/Unit</u>	<u>No. of Units</u>	<u>Total/Unit Type</u>
A	\$600.00	12	\$7,200.00
B	\$600.00	11	\$6,600.00
C	\$600.00	6	\$3,600.00
D	\$600.00	6	\$3,600.00
E	\$600.00	1	\$ 600.00

**TOTAL COST OF ROOF REPLACEMENT FOR
36 RESIDENTIAL UNITS:**

\$21,600.00

Roof Replacement Cost per Unit Proportional Share:

<u>Unit No.</u>	<u>Unit Type</u>	<u>Each Unit Equal Portion</u>	<u>Estimated Replacement Cost</u>	<u>Cost Per Unit</u>
101	C	1/36	\$21,600.00	\$600.00
102	C	1/36	\$21,600.00	\$600.00
103	C	1/36	\$21,600.00	\$600.00
104	C	1/36	\$21,600.00	\$600.00
105	C	1/36	\$21,600.00	\$600.00
106	C	1/36	\$21,600.00	\$600.00
107	A	1/36	\$21,600.00	\$600.00
108	A	1/36	\$21,600.00	\$600.00
109	A	1/36	\$21,600.00	\$600.00
110	A	1/36	\$21,600.00	\$600.00
111	A	1/36	\$21,600.00	\$600.00
112	A	1/36	\$21,600.00	\$600.00

Department of Business and Professional Regulation

505 Deerfield, A Condominium

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<u>Unit No.</u>	<u>Unit Type</u>	<u>Each Unit Equal Portion</u>	<u>Estimated Replacement Cost</u>	<u>Cost Per Unit</u>
113	A	1/36	\$21,600.00	\$600.00
114	A	1/36	\$21,600.00	\$600.00
115	A	1/36	\$21,600.00	\$600.00
116	A	1/36	\$21,600.00	\$600.00
117	A	1/36	\$21,600.00	\$600.00
118	A	1/36	\$21,600.00	\$600.00
201	D	1/36	\$21,600.00	\$600.00
202	D	1/36	\$21,600.00	\$600.00
203	D	1/36	\$21,600.00	\$600.00
204	D	1/36	\$21,600.00	\$600.00
205	D	1/36	\$21,600.00	\$600.00
206	D	1/36	\$21,600.00	\$600.00
207	E	1/36	\$21,600.00	\$600.00
208	B	1/36	\$21,600.00	\$600.00
209	B	1/36	\$21,600.00	\$600.00
210	B	1/36	\$21,600.00	\$600.00
211	B	1/36	\$21,600.00	\$600.00
212	B	1/36	\$21,600.00	\$600.00
213	B	1/36	\$21,600.00	\$600.00
214	B	1/36	\$21,600.00	\$600.00
215	B	1/36	\$21,600.00	\$600.00
216	B	1/36	\$21,600.00	\$600.00
217	B	1/36	\$21,600.00	\$600.00
218	B	1/36	\$21,600.00	\$600.00

2. STRUCTURE:

There are no apparent signs of structural stress in the building. The exposed surface of the building, in general, is well-sealed and free of any major cracks or openings which would allow water intrusion. All the visual structural elements of the buildings are functioning according to their intended uses and all are safe and sound.

Age.....Approximately 31 years
 Estimated remaining useful life.....Approximately 39 years
 Estimated current replacement cost.....Approximately \$734,400.00

Structure Replacement Cost per Residential Unit:

Type	Cost/Unit	No. of Units	Total/Unit Type
A	\$33,000.00	12	\$396,000.00
B	\$33,000.00	11	\$363,000.00
C	\$33,000.00	6	\$198,000.00
D	\$33,000.00	6	\$198,000.00
E	\$33,000.00	1	\$ 33,000.00

TOTAL COST OF STRUCTURAL REPLACEMENT FOR
36 RESIDENTIAL UNITS:

\$1,188,000.00

Structural Replacement Cost per Unit Proportional Share:

Unit No.	Unit Type	Each Unit Equal Portion	Estimated Replacement Cost	Cost Per Unit
101	C	1/36	\$1,188,000.00	\$33,000.00
102	C	1/36	\$1,188,000.00	\$33,000.00
103	C	1/36	\$1,188,000.00	\$33,000.00
104	C	1/36	\$1,188,000.00	\$33,000.00
105	C	1/36	\$1,188,000.00	\$33,000.00
106	C	1/36	\$1,188,000.00	\$33,000.00
107	A	1/36	\$1,188,000.00	\$33,000.00
108	A	1/36	\$1,188,000.00	\$33,000.00
109	A	1/36	\$1,188,000.00	\$33,000.00
110	A	1/36	\$1,188,000.00	\$33,000.00
111	A	1/36	\$1,188,000.00	\$33,000.00
112	A	1/36	\$1,188,000.00	\$33,000.00

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<u>Unit No.</u>	<u>Unit Type</u>	<u>Each Unit Equal Portion</u>	<u>Estimated Replacement Cost</u>	<u>Cost Per Unit</u>
113	A	1/36	\$1,188,000.00	\$33,000.00
114	A	1/36	\$1,188,000.00	\$33,000.00
115	A	1/36	\$1,188,000.00	\$33,000.00
116	A	1/36	\$1,188,000.00	\$33,000.00
117	A	1/36	\$1,188,000.00	\$33,000.00
118	A	1/36	\$1,188,000.00	\$33,000.00
201	D	1/36	\$1,188,000.00	\$33,000.00
202	D	1/36	\$1,188,000.00	\$33,000.00
203	D	1/36	\$1,188,000.00	\$33,000.00
204	D	1/36	\$1,188,000.00	\$33,000.00
205	D	1/36	\$1,188,000.00	\$33,000.00
206	D	1/36	\$1,188,000.00	\$33,000.00
207	E	1/36	\$1,188,000.00	\$33,000.00
208	B	1/36	\$1,188,000.00	\$33,000.00
209	B	1/36	\$1,188,000.00	\$33,000.00
210	B	1/36	\$1,188,000.00	\$33,000.00
211	B	1/36	\$1,188,000.00	\$33,000.00
212	B	1/36	\$1,188,000.00	\$33,000.00
213	B	1/36	\$1,188,000.00	\$33,000.00
214	B	1/36	\$1,188,000.00	\$33,000.00
215	B	1/36	\$1,188,000.00	\$33,000.00
216	B	1/36	\$1,188,000.00	\$33,000.00
217	B	1/36	\$1,188,000.00	\$33,000.00
218	B	1/36	\$1,188,000.00	\$33,000.00

3. ELECTRICAL SYSTEM:

The present electrical system consists of sufficient amperage for the existing units. The present wiring system is adequate for its intended use and is operating in a safe and sound condition. Each unit has its own independent electrical meter and service.

Age.....Approximately 31 years
 Estimated remaining useful life.....Approximately 19 years
 Estimated current replacement cost.....Approximately \$37,440.00

Electrical Replacement Cost per Residential Unit:

Type	Cost/Unit	No. of Units	Total/Unit Type
A	\$1,040.00	12	\$12,480.00
B	\$1,040.00	11	\$11,440.00
C	\$1,040.00	6	\$ 6,240.00
D	\$1,040.00	6	\$ 6,240.00
E	\$1,040.00	1	\$ 1,040.00

TOTAL COST OF ELECTRICAL REPLACEMENT FOR
36 RESIDENTIAL UNITS:

\$37,440.00

Electrical Replacement Cost per Unit Proportional Share:

Unit No.	Unit Type	Each Unit Equal Portion	Estimated Replacement Cost	Cost Per Unit
101	C	1/36	\$37,440.00	\$1,040.00
102	C	1/36	\$37,440.00	\$1,040.00
103	C	1/36	\$37,440.00	\$1,040.00
104	C	1/36	\$37,440.00	\$1,040.00
105	C	1/36	\$37,440.00	\$1,040.00
106	C	1/36	\$37,440.00	\$1,040.00
107	A	1/36	\$37,440.00	\$1,040.00
108	A	1/36	\$37,440.00	\$1,040.00
109	A	1/36	\$37,440.00	\$1,040.00
110	A	1/36	\$37,440.00	\$1,040.00
111	A	1/36	\$37,440.00	\$1,040.00
112	A	1/36	\$37,440.00	\$1,040.00
113	A	1/36	\$37,440.00	\$1,040.00

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<u>Unit No.</u>	<u>Unit Type</u>	<u>Each Unit Equal Portion</u>	<u>Estimated Replacement Cost</u>	<u>Cost Per Unit</u>
114	A	1/36	\$37,440.00	\$1,040.00
115	A	1/36	\$37,440.00	\$1,040.00
116	A	1/36	\$37,440.00	\$1,040.00
117	A	1/36	\$37,440.00	\$1,040.00
118	A	1/36	\$37,440.00	\$1,040.00
201	D	1/36	\$37,440.00	\$1,040.00
202	D	1/36	\$37,440.00	\$1,040.00
203	D	1/36	\$37,440.00	\$1,040.00
204	D	1/36	\$37,440.00	\$1,040.00
205	D	1/36	\$37,440.00	\$1,040.00
206	D	1/36	\$37,440.00	\$1,040.00
207	E	1/36	\$37,440.00	\$1,040.00
208	B	1/36	\$37,440.00	\$1,040.00
209	B	1/36	\$37,440.00	\$1,040.00
210	B	1/36	\$37,440.00	\$1,040.00
211	B	1/36	\$37,440.00	\$1,040.00
212	B	1/36	\$37,440.00	\$1,040.00
213	B	1/36	\$37,440.00	\$1,040.00
214	B	1/36	\$37,440.00	\$1,040.00
215	B	1/36	\$37,440.00	\$1,040.00
216	B	1/36	\$37,440.00	\$1,040.00
217	B	1/36	\$37,440.00	\$1,040.00
218	B	1/36	\$37,440.00	\$1,040.00

4. **PAVEMENT:**

The asphalt pavement and drainage in the parking areas and driveways is in good condition. There are fifty five (55) parking spaces, approximately 26,000 square feet.

Age.....Approximately 31 years
 Estimated remaining useful life.....Approximately 14 years
 Estimated current replacement cost.....Approximately \$16,920.00

Pavement Replacement Cost per Residential Unit:

<u>Type</u>	<u>Cost/Unit</u>	<u>No. of Units</u>	<u>Total/Unit Type</u>
A	\$470.00	12	\$5,640.00
B	\$470.00	11	\$5,170.00
C	\$470.00	6	\$2,820.00
D	\$470.00	6	\$2,820.00
E	\$470.00	1	\$ 470.00

TOTAL COST OF PAVEMENT REPLACEMENT FOR
36 RESIDENTIAL UNITS:

\$16,920.00

Pavement Replacement Cost per Unit Proportional Share:

<u>Unit No.</u>	<u>Unit Type</u>	<u>Each Unit Equal Portion</u>	<u>Estimated Replacement Cost</u>	<u>Cost Per Unit</u>
101	C	1/36	\$16,920.00	\$470.00
102	C	1/36	\$16,920.00	\$470.00
103	C	1/36	\$16,920.00	\$470.00
104	C	1/36	\$16,920.00	\$470.00
105	C	1/36	\$16,920.00	\$470.00
106	C	1/36	\$16,920.00	\$470.00
107	A	1/36	\$16,920.00	\$470.00
108	A	1/36	\$16,920.00	\$470.00
109	A	1/36	\$16,920.00	\$470.00
110	A	1/36	\$16,920.00	\$470.00
111	A	1/36	\$16,920.00	\$470.00
112	A	1/36	\$16,920.00	\$470.00
113	A	1/36	\$16,920.00	\$470.00

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<u>Unit No.</u>	<u>Unit Type</u>	<u>Each Unit Equal Portion</u>	<u>Estimated Replacement Cost</u>	<u>Cost Per Unit</u>
114	A	1/36	\$46,800.00	\$1,300.00
115	A	1/36	\$46,800.00	\$1,300.00
116	A	1/36	\$46,800.00	\$1,300.00
117	A	1/36	\$46,800.00	\$1,300.00
118	A	1/36	\$46,800.00	\$1,300.00
201	D	1/36	\$46,800.00	\$1,300.00
202	D	1/36	\$46,800.00	\$1,300.00
203	D	1/36	\$46,800.00	\$1,300.00
204	D	1/36	\$46,800.00	\$1,300.00
205	D	1/36	\$46,800.00	\$1,300.00
206	D	1/36	\$46,800.00	\$1,300.00
207	E	1/36	\$46,800.00	\$1,300.00
208	B	1/36	\$46,800.00	\$1,300.00
209	B	1/36	\$46,800.00	\$1,300.00
210	B	1/36	\$46,800.00	\$1,300.00
211	B	1/36	\$46,800.00	\$1,300.00
212	B	1/36	\$46,800.00	\$1,300.00
213	B	1/36	\$46,800.00	\$1,300.00
214	B	1/36	\$46,800.00	\$1,300.00
215	B	1/36	\$46,800.00	\$1,300.00
216	B	1/36	\$46,800.00	\$1,300.00
217	B	1/36	\$46,800.00	\$1,300.00
218	B	1/36	\$46,800.00	\$1,300.00

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<u>Unit No.</u>	<u>Unit Type</u>	<u>Each Unit Equal Portion</u>	<u>Estimated Replacement Cost</u>	<u>Cost Per Unit</u>
114	A	1/36	\$18,000.00	\$500.00
115	A	1/36	\$18,000.00	\$500.00
116	A	1/36	\$18,000.00	\$500.00
117	A	1/36	\$18,000.00	\$500.00
118	A	1/36	\$18,000.00	\$500.00
201	D	1/36	\$18,000.00	\$500.00
202	D	1/36	\$18,000.00	\$500.00
203	D	1/36	\$18,000.00	\$500.00
204	D	1/36	\$18,000.00	\$500.00
205	D	1/36	\$18,000.00	\$500.00
206	D	1/36	\$18,000.00	\$500.00
207	E	1/36	\$18,000.00	\$500.00
208	B	1/36	\$18,000.00	\$500.00
209	B	1/36	\$18,000.00	\$500.00
210	B	1/36	\$18,000.00	\$500.00
211	B	1/36	\$18,000.00	\$500.00
212	B	1/36	\$18,000.00	\$500.00
213	B	1/36	\$18,000.00	\$500.00
214	B	1/36	\$18,000.00	\$500.00
215	B	1/36	\$18,000.00	\$500.00
216	B	1/36	\$18,000.00	\$500.00
217	B	1/36	\$18,000.00	\$500.00
218	B	1/36	\$18,000.00	\$500.00

7. FIRE ALARM SYSTEM:

The fire alarm system, which appeared at the time of this inspection, to be operating according to its intended purpose and is operating according to its intended purpose and are safe, functioning and in sound condition. There are fire extinguishers throughout the first floor hallway and at the entrance to the second floor dwelling units of the buildings only. There are not any smoke detectors in the bedrooms of the dwelling units.

Age.....Approximately 31 years
 Estimated remaining useful life.....Approximately 19 years
 Estimated current replacement cost.....Approximately \$14,400.00

Elevator System Replacement Cost per Residential Unit:

Type	Cost/Unit	No. of Units	Total/Unit Type
A	\$400.00	12	\$4,800.00
B	\$400.00	11	\$4,400.00
C	\$400.00	6	\$2,400.00
D	\$400.00	6	\$2,400.00
E	\$400.00	1	\$ 400.00

TOTAL COST OF FIRE ALARM SYSTEM REPLACEMENT FOR
36 RESIDENTIAL UNITS: \$14,400.00

Fire Alarm System Replacement Cost per Unit Proportional Share:

Unit No.	Unit Type	Each Unit Equal Portion	Estimated Replacement Cost	Cost Per Unit
101	C	1/36	\$14,400.00	\$400.00
102	C	1/36	\$14,400.00	\$400.00
103	C	1/36	\$14,400.00	\$400.00
104	C	1/36	\$14,400.00	\$400.00
105	C	1/36	\$14,400.00	\$400.00
106	C	1/36	\$14,400.00	\$400.00
107	A	1/36	\$14,400.00	\$400.00
108	A	1/36	\$14,400.00	\$400.00
109	A	1/36	\$14,400.00	\$400.00
110	A	1/36	\$14,400.00	\$400.00
111	A	1/36	\$14,400.00	\$400.00

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<u>Unit No.</u>	<u>Unit Type</u>	<u>Each Unit Equal Portion</u>	<u>Estimated Replacement Cost</u>	<u>Cost Per Unit</u>
112	A	1/36	\$14,400.00	\$400.00
113	A	1/36	\$14,400.00	\$400.00
114	A	1/36	\$14,400.00	\$400.00
115	A	1/36	\$14,400.00	\$400.00
116	A	1/36	\$14,400.00	\$400.00
117	A	1/36	\$14,400.00	\$400.00
118	A	1/36	\$14,400.00	\$400.00
201	D	1/36	\$14,400.00	\$400.00
202	D	1/36	\$14,400.00	\$400.00
203	D	1/36	\$14,400.00	\$400.00
204	D	1/36	\$14,400.00	\$400.00
205	D	1/36	\$14,400.00	\$400.00
206	D	1/36	\$14,400.00	\$400.00
207	E	1/36	\$14,400.00	\$400.00
208	B	1/36	\$14,400.00	\$400.00
209	B	1/36	\$14,400.00	\$400.00
210	B	1/36	\$14,400.00	\$400.00
211	B	1/36	\$14,400.00	\$400.00
212	B	1/36	\$14,400.00	\$400.00
213	B	1/36	\$14,400.00	\$400.00
214	B	1/36	\$14,400.00	\$400.00
215	B	1/36	\$14,400.00	\$400.00
216	B	1/36	\$14,400.00	\$400.00
217	B	1/36	\$14,400.00	\$400.00
218	B	1/36	\$14,400.00	\$400.00

8. FIREPROOFING AND FIRE PROTECTION SYSTEMS:

The interior bearing walls that serve as a tenant separation are constructed of 8" masonry block units, which serve as a one (1) hour fire resistant. the interior non-bearing walls that serve as a tenant separation are constructed of wood frame studs construction with a one hour fire rated drywall finish. The exterior bearing walls of the structure, which are constructed of concrete masonry blocks serve as a one (1) hour fire resistant. The second floor slab are constructed of steel reinforced pre cast concrete slab, which also serve as a one (1) hour fire resistant. The requirement of the South Florida Building Code in place at the time that this building was constructed was satisfied for the requirements of fire ratings.

9. SWIMMING POOL:

There is not a swimming pool in this development.

10. SEA WALLS:

There is not a sea wall in this development.

11. ELEVATORS:

There is not an elevator in this development.

12. COOLING SYSTEM:

The common elements of this building are not mechanically ventilated, they are naturally ventilated.

Note: Each individual residential unit is equipped with its own central air conditioning system. This system is part of the developer's final conversion package, which appeared at the time of this inspection to be in safe and sound condition and are adequate for their intended use.

13. CONVERTER RESERVE ACCOUNT:

The developer shall grant to the purchaser of each unit an implied warranty of fitness and merchantability for the purposes or uses intended, as to the roof and structural components of the improvements, and as to mechanical, electrical, and plumbing elements serving the improvements.

Plumbing:

Number of square feet the plumbing serves = 41,500 sq. ft.
(\$46,800.00 X 31/40 = \$36,270.00)

Total: **\$36,270.00**

Roof:

Number of square feet the roof serves = 14,300 sq. ft.
(14,300 sq.ft. X \$1.51/sq. ft. X 0/5 = \$21,600.00)

Total: **\$21,600.00**

13. TERMITE REPORT:

Pursuant to the termite inspection report appended hereto as Exhibit "A", there is no termite damage or infestation in the building.

14. ROOF REPORT:

Pursuant to the roof inspection report appended hereto as Exhibit "B", there is no water damage or intrusion in the building.

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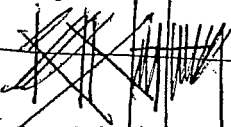
As a routine matter, in order to avoid possible misunderstandings, this report should not be considered directly or indirectly as a guarantee for any portion of the structure. To the best of my knowledge, ability and professional belief, this report represents an accurate appraisal of the present condition of the building, based on careful evaluation of observed conditions to every extent reasonably possible. Estimated useful life of all items in the report is based on proper maintenance.

The present owner intends to turnover to the new unit owners the above building with no structural defects, no water intrusion, and all water elements in good or fair condition.

I further hereby attest that I am an Architect certified and authorized to practice architecture in the state of Florida as is required by Section 718.616(3)(b) of the Florida Statutes.

Respectfully submitted,

ReyMar & Associates, Inc.



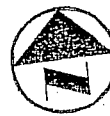
Rey Martinez, Architect
Florida No. 11555

Enclosures

rm/mmm

wdocs/h&ainvest/deerfield/condo-1-rev.wpd

EXHIBIT F
TYPICAL FLOOR PLANS OF CONDOMINIUM UNITS

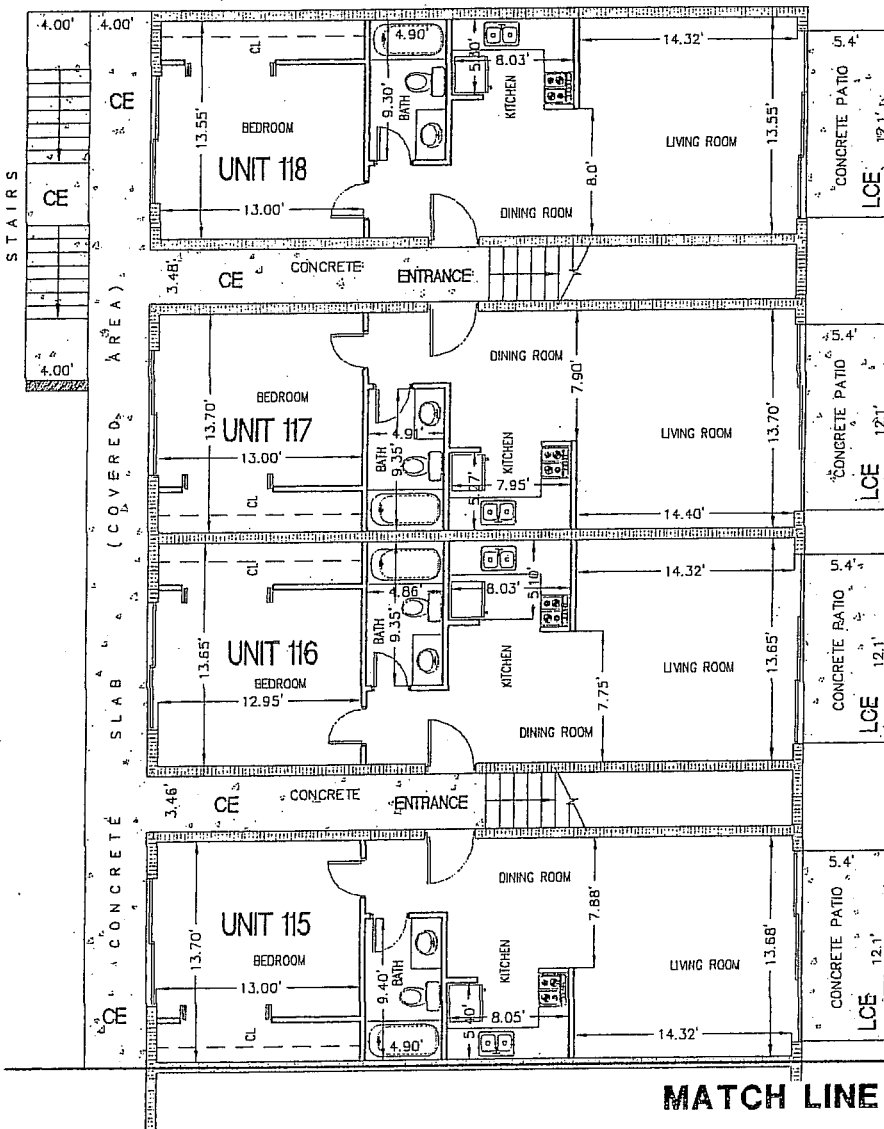


0 5 10 20

GRAPHIC SCALE IN FEET

GROUND FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:		
UNIT No.	AREA (SQUARE FEET)	% PER UNIT
118	663	8.40
117	656	8.32
116	656	8.32
115	663	8.40



Drawings\Senas\Broward County\Condominium\505 Deerfield LLC\Condo Units.dwg 11/09/2004 11:38:44 AM EST

NSHINE UNITED CONSULTANTS, INC.

Land Surveying-Mapping-Planning
Certificate of Authorization LB 7138

State of Florida

7830 NW 174th TERRACE

FLOOR PLANS

505 NE. 20th AVENUE

DATE: 12-18-03

JOB NO. 0312461

DRAWN JS

CHECKED JS

REVISED: 11-09-04



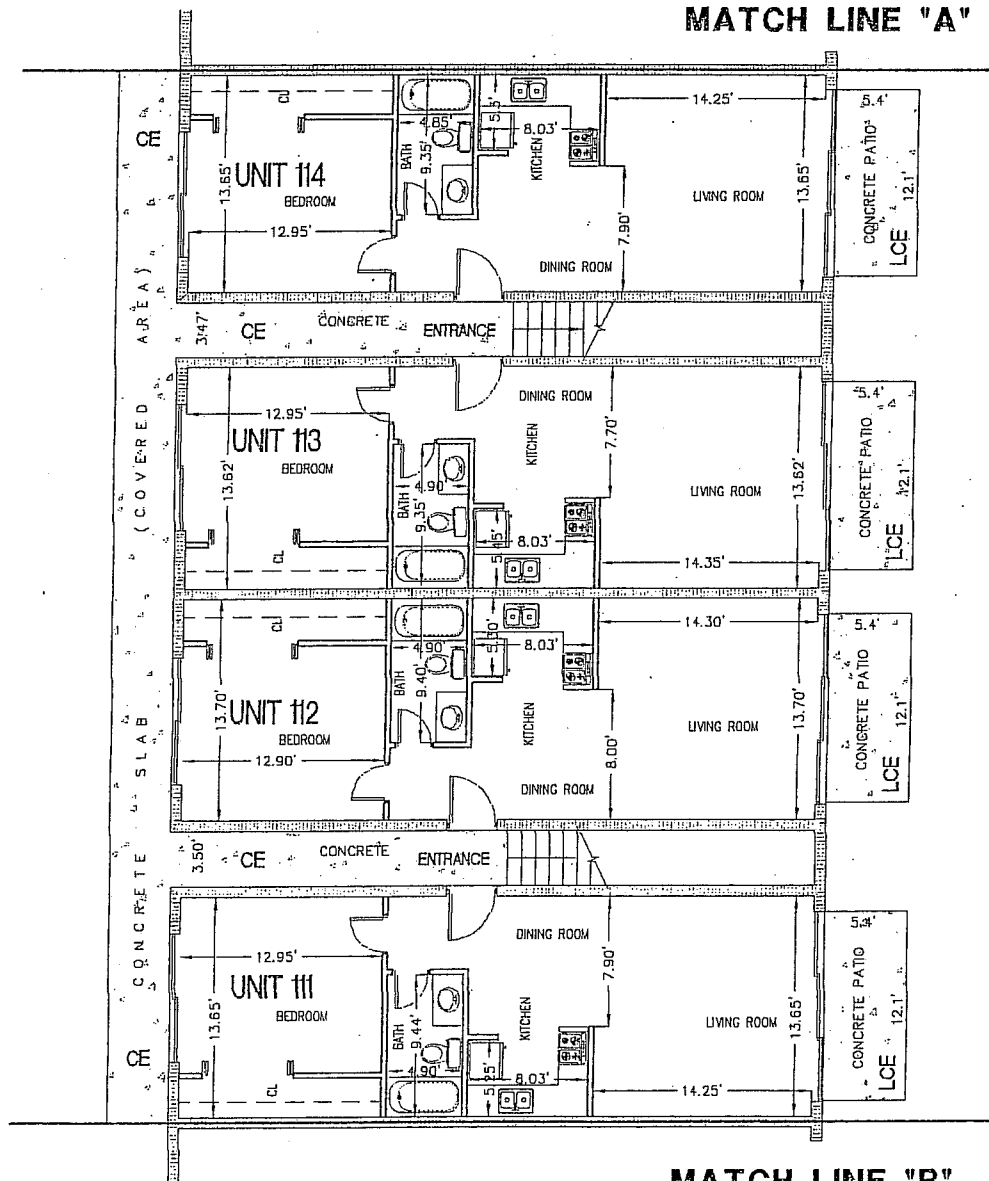
0 5 10 20

GRAPHIC SCALE IN FEET

GROUND FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:

UNIT No.	AREA (SQUARE FEET)	% PER UNIT
114	656	8.32
113	656	8.32
112	656	8.32
111	656	8.32



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UNSHINE UNITED CONSULTANTS, INC.

Land Surveying-Mapping-Planning
Certificate of Authorization LB 7138
State of Florida

7830 N.W. 174th TERRACE

FLOOR PLANS

505 NE. 20th AVENUE
DEERFIELD BEACH

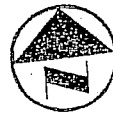
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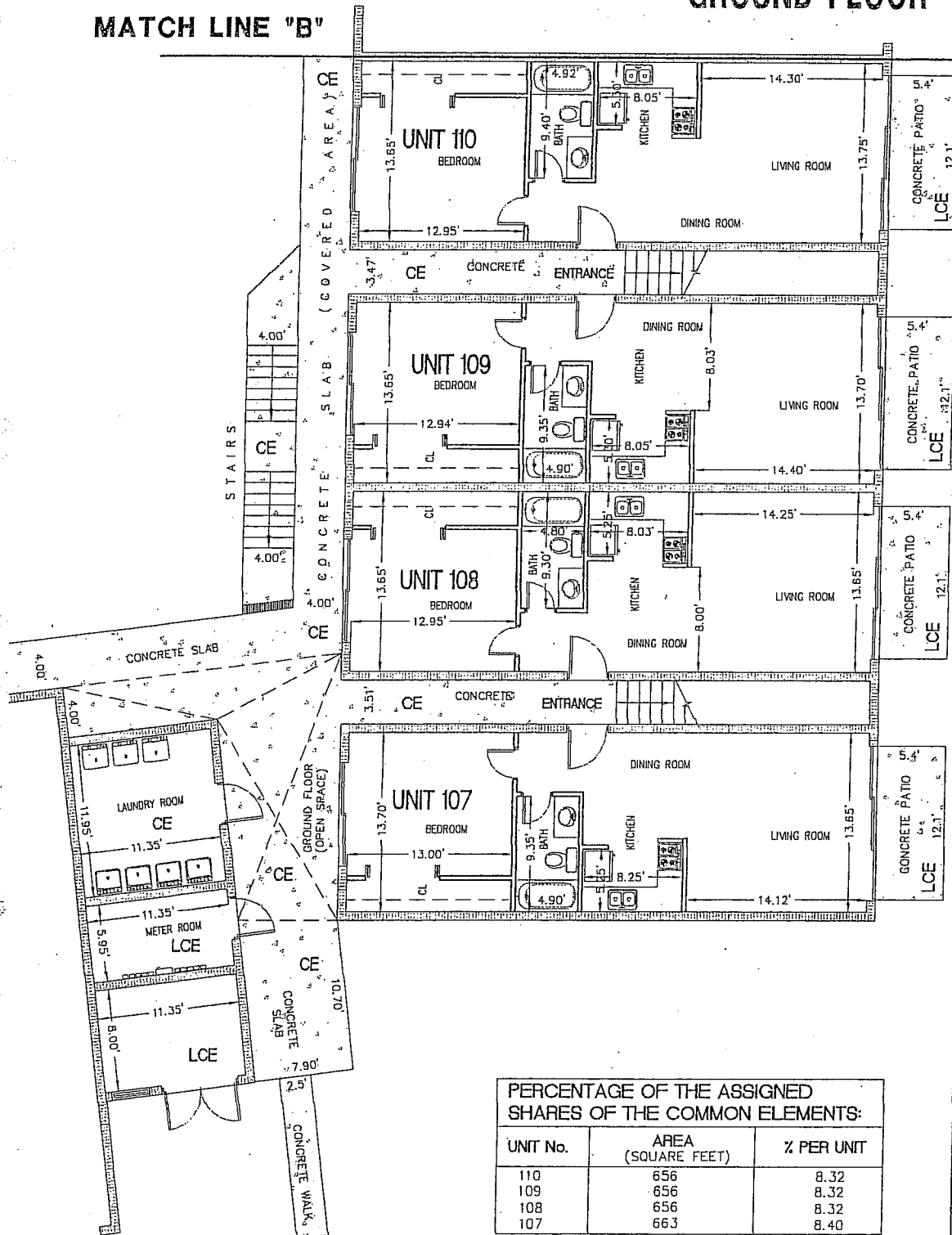
REVISED 11-09-04



GRAPHIC SCALE IN FEET

GROUND FLOOR

MATCH LINE "B"



PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:

UNIT No.	AREA (SQUARE FEET)	% PER UNIT
110	656	8.32
109	656	8.32
108	656	8.32
107	663	8.40

FLOOR PLANS

505 NE. 20th AVENUE
DEERFIELD BEACH

DATE: 12-18-03

JOB NO. 0312461

DRAWN JS

CHECKED JS

REVISED: 11-09-04



0 5 10 20

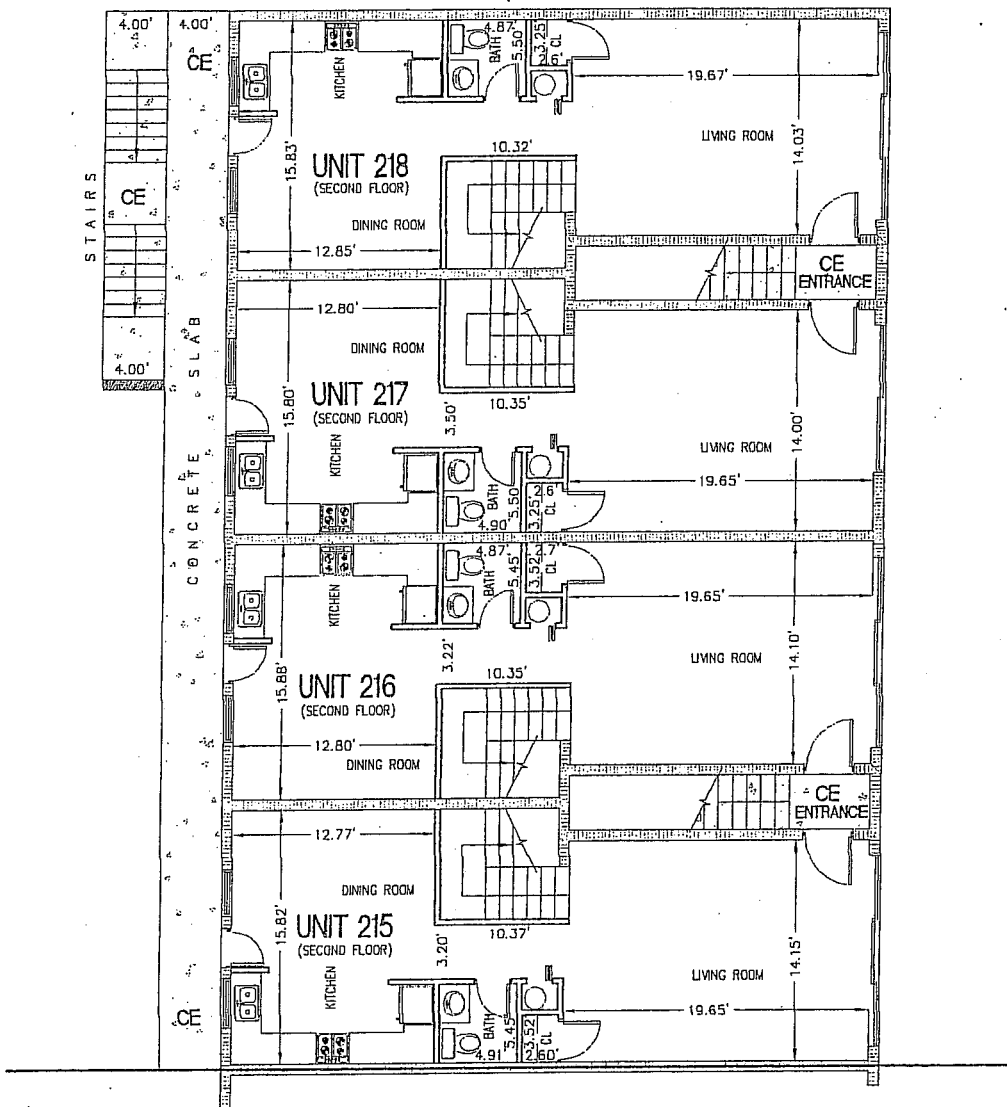
GRAPHIC SCALE IN FEET

SECOND FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:

UNIT No.	AREA (SQUARE FEET)	% PER UNIT
218	703	7.85
217	696	7.77
216	696	7.77
215	696	7.77

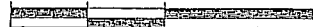
SECOND FLOOR



MATCH LINE "A"



0 5 10 20



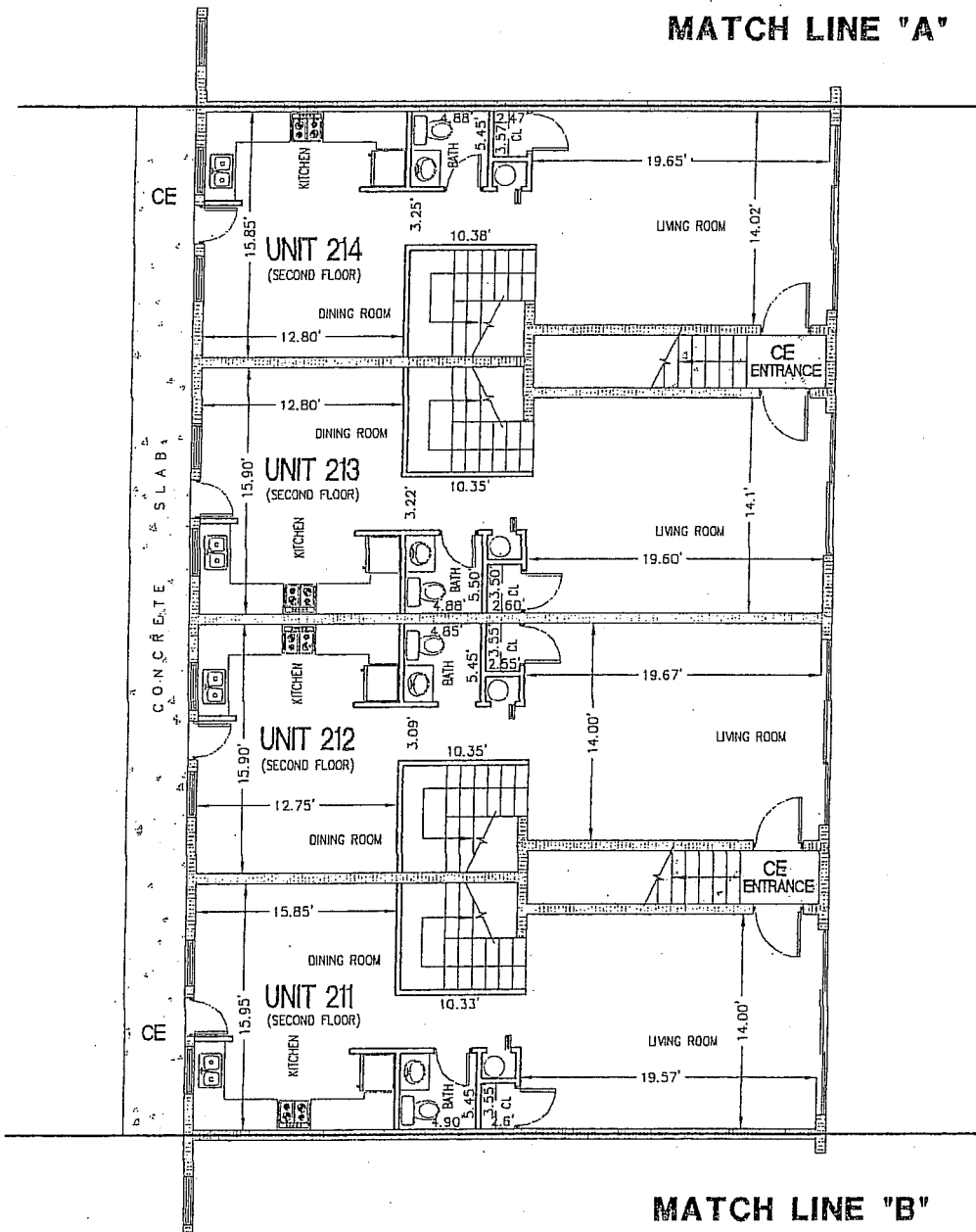
GRAPHIC SCALE IN FEET

SECOND FLOOR

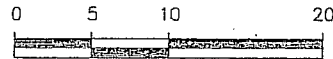
PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:		
UNIT No.	AREA (SQUARE FEET)	% PER UNIT
214	696	7.77
213	696	7.77
212	696	7.77
211	696	7.77

SECOND FLOOR

MATCH LINE "A"



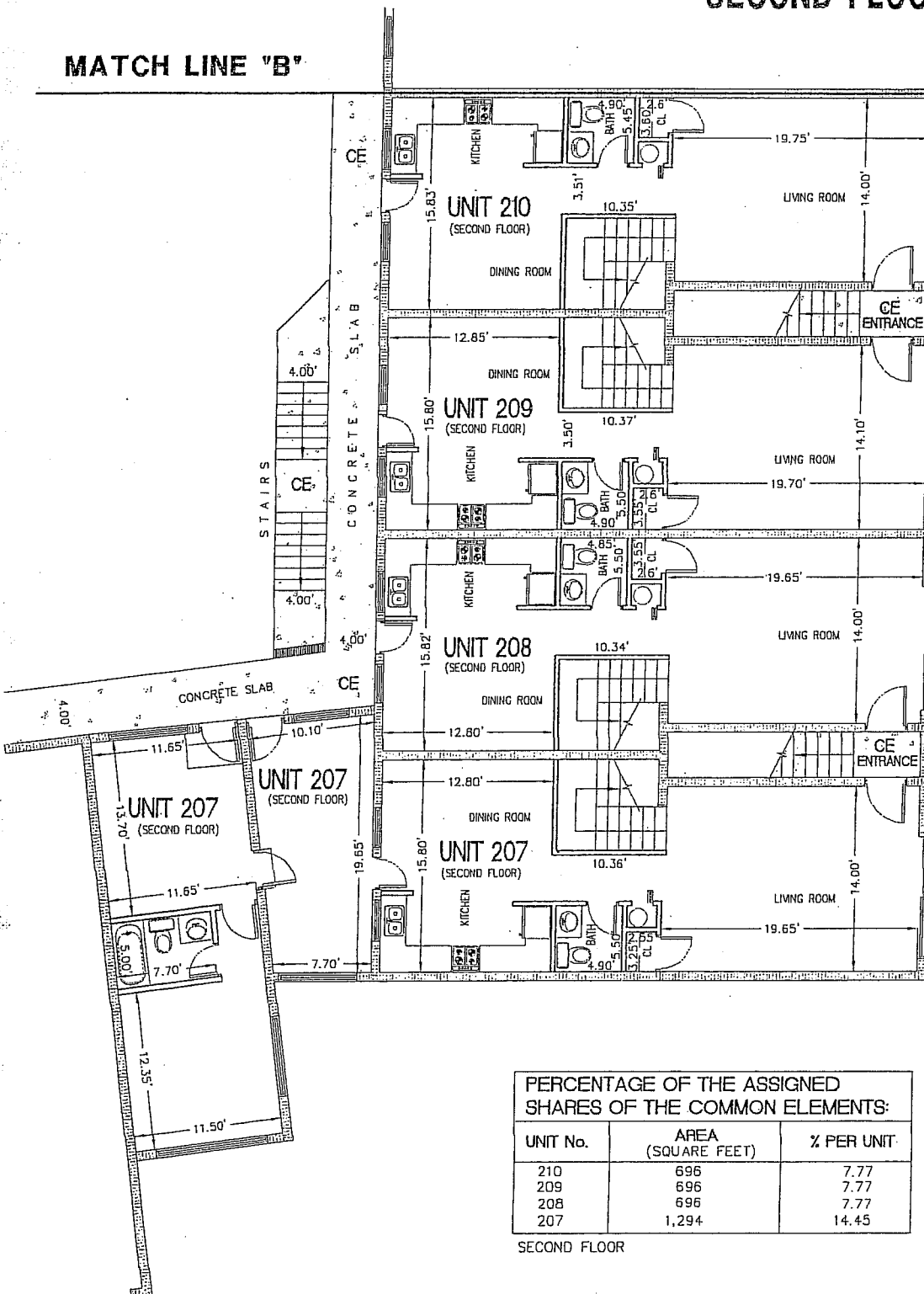
MATCH LINE "B"



GRAPHIC SCALE IN FEET

SECOND FLOOR

MATCH LINE "B"



PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:		
UNIT No.	AREA (SQUARE FEET)	% PER UNIT
210	696	7.77
209	696	7.77
208	696	7.77
207	1,294	14.45

SECOND FLOOR



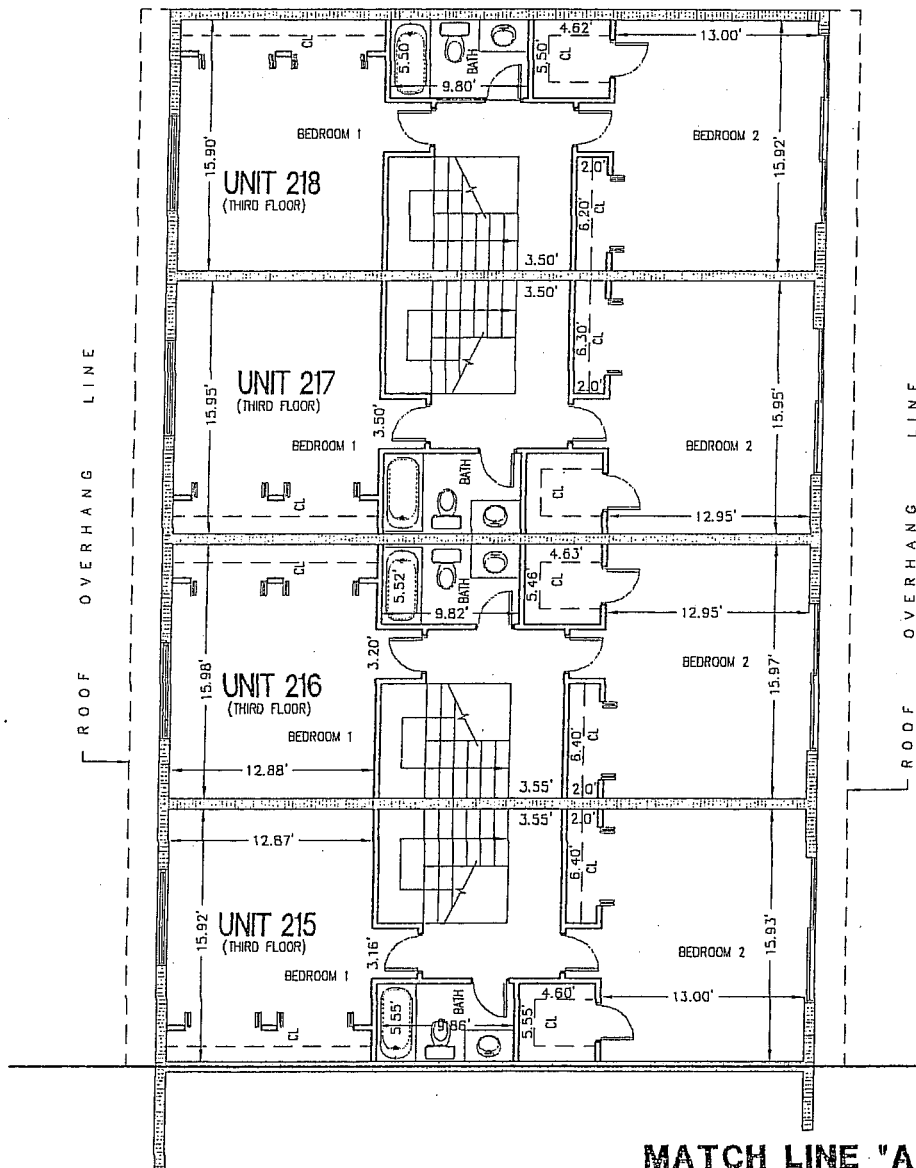
0 5 10 20

GRAPHIC SCALE IN FEET

THIRD FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:		
UNIT No.	AREA (SQUARE FEET)	% PER UNIT
218	738	8.40
217	731	8.32
216	731	8.32
215	731	8.32

THIRD FLOOR



\\Drawings\\Senas\\Broward County\\Condominium\\505 Deerfield LLC\\Condo Units.dwg 11/09/2004 11:38:44 AM EST

INSHINE UNITED CONSULTANTS, INC.

Land Surveying - Mapping - Planning
Certificate of Authorization LB 7138
State of Florida
7830 N.W. 174th TERRACE

FLOOR PLANS

505 NE. 20th AVENUE
DEERFIELD BEACH

DATE: 12-18-03
JOB NO. 0312461
DRAWN JS
CHECKED JS
REVISED: 11-09-04



0 5 10 20

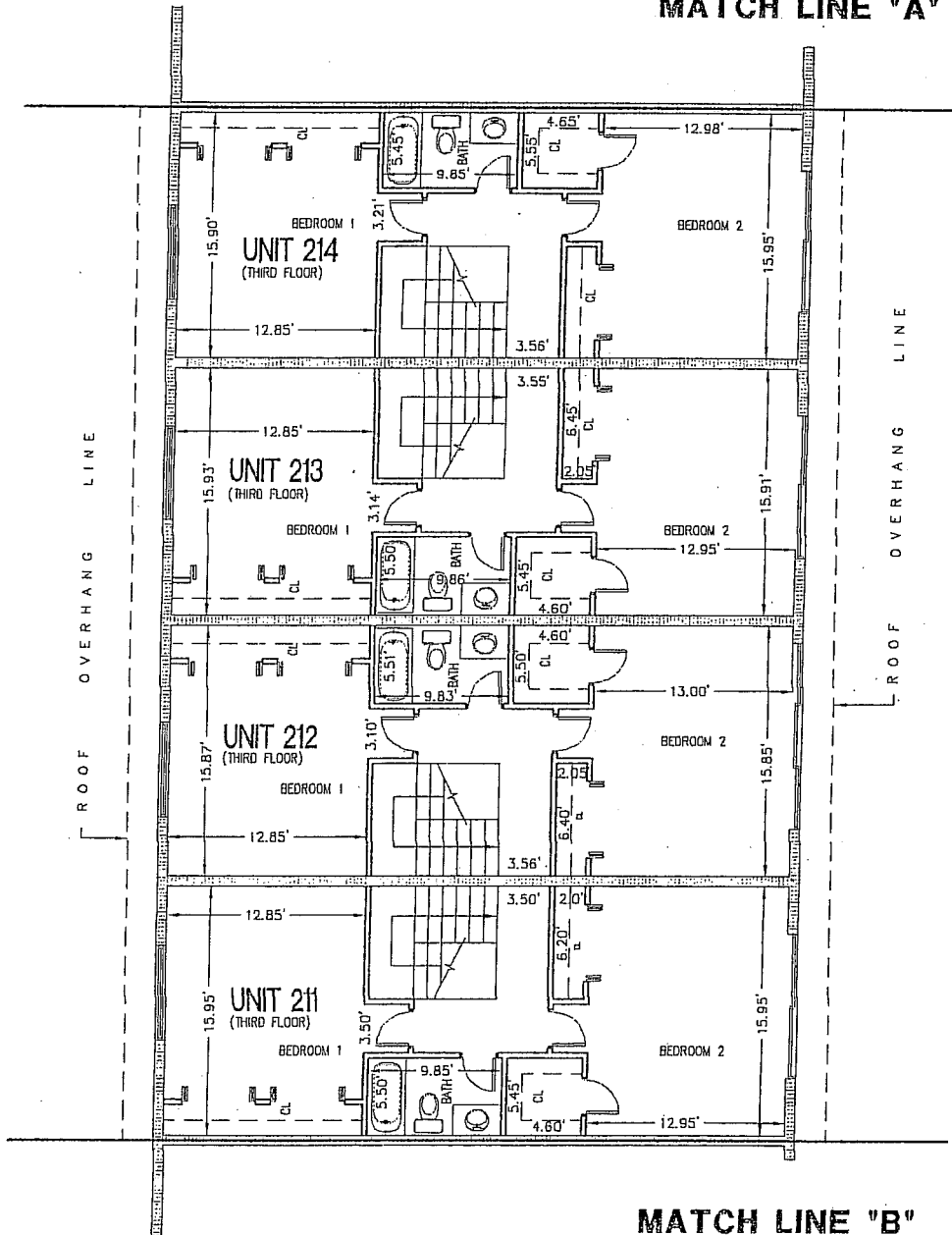
GRAPHIC SCALE IN FEET

THIRD FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:		
UNIT No.	AREA (SQUARE FEET)	% PER UNIT
214	731	8.32
213	731	8.32
212	731	8.32
211	731	8.32

THIRD FLOOR

MATCH LINE "A"



MATCH LINE "B"

\\Drawings\\Senas\\Broward County\\Condominium\\505 Deerfield LLC\\Condo Units.dwg 11/09/2004 11:38:44 AM EST

UNSHINE UNITED CONSULTANTS, INC.

Land Surveying - Mapping - Planning
Certificate of Authorization LB 7138
State of Florida
7830 N.W. 174th TERRACE

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505 NE. 20th AVENUE
DEERFIELD BEACH

DATE: 12-18-03

JOB NO. 0312461

DRAWN JS

CHECKED JS

REVISED: 11-09-04



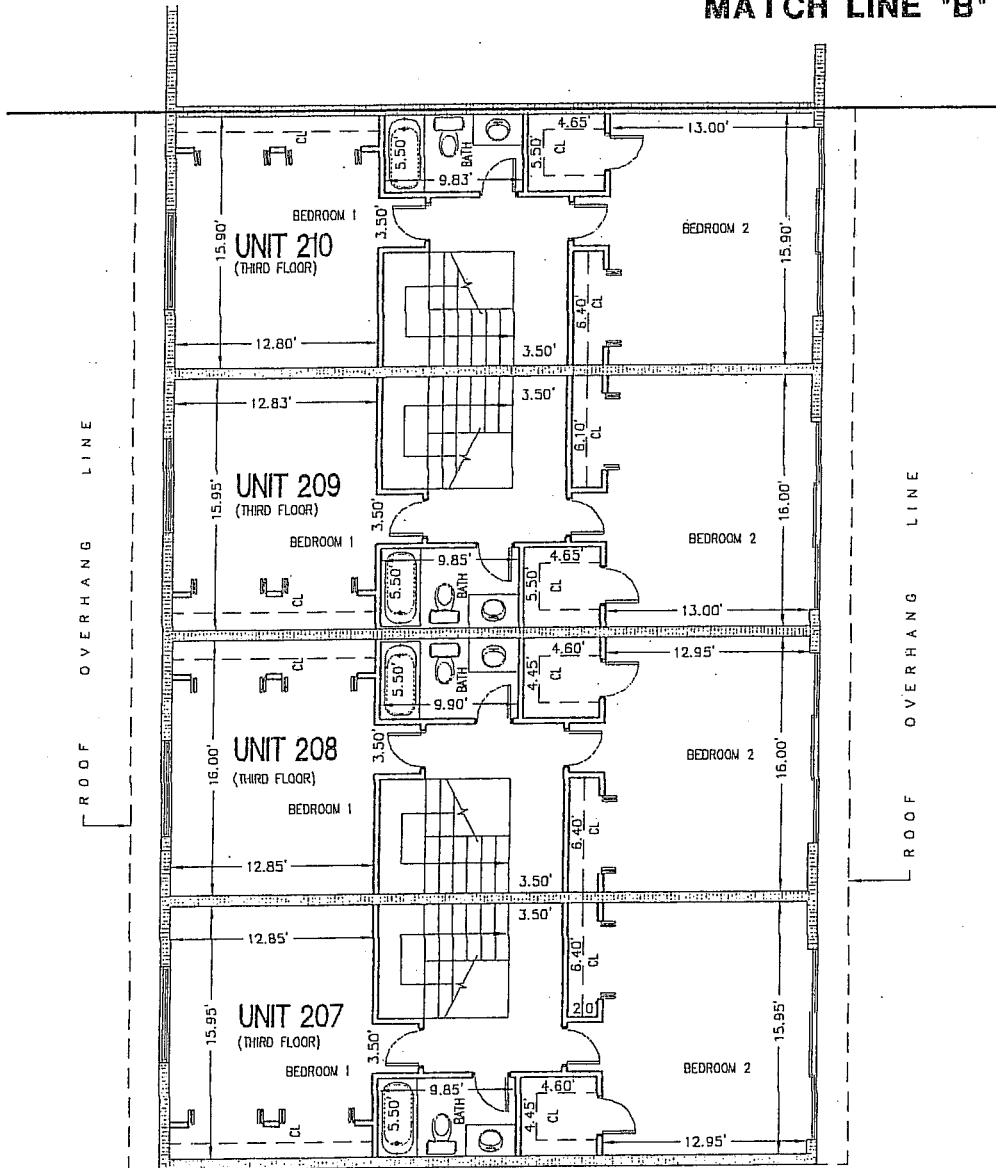
GRAPHIC SCALE IN FEET

THIRD FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:		
UNIT No.	AREA (SQUARE FEET)	% PER UNIT
210	731	8.32
209	731	8.32
208	731	8.32
207	738	8.40

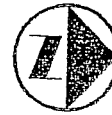
THIRD FLOOR

MATCH LINE "B"



PERCENTAGE OF THE ASSIGNED
SHARES OF THE COMMON ELEMENTS:

UNIT No.	AREA (SQUARE FEET)	% PER UNIT
104	839	16.58
105	839	16.58
106	852	16.84

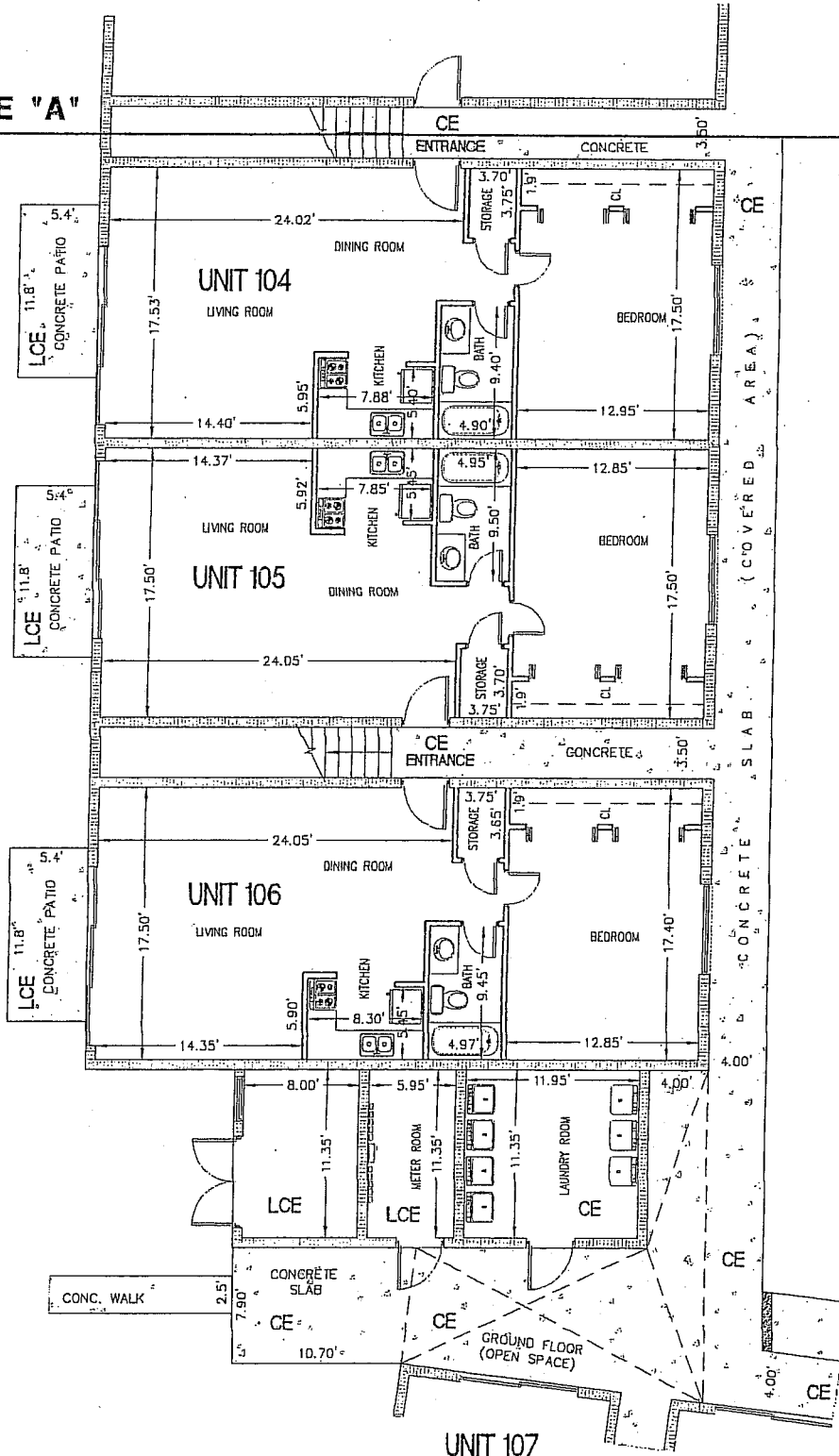


0 5 10 20

GRAPHIC SCALE IN FEET

GROUND FLOOR

MATCH LINE "A"



Drawings\Senos\Broward County\Condominium\505 Deerfield LLC\Condo Units.dwg 11/10/2004 10:54:33 AM EST

INSHINE UNITED CONSULTANTS, INC.

Land Surveying-Mapping-Planning
Certificate of Authorization LB 7198
State of Florida

FLOOR PLANS

505 NE 20th AVENUE

DATE: 12-18-03

JOB NO. 0312461

DRAWN JS

CHECKED JS

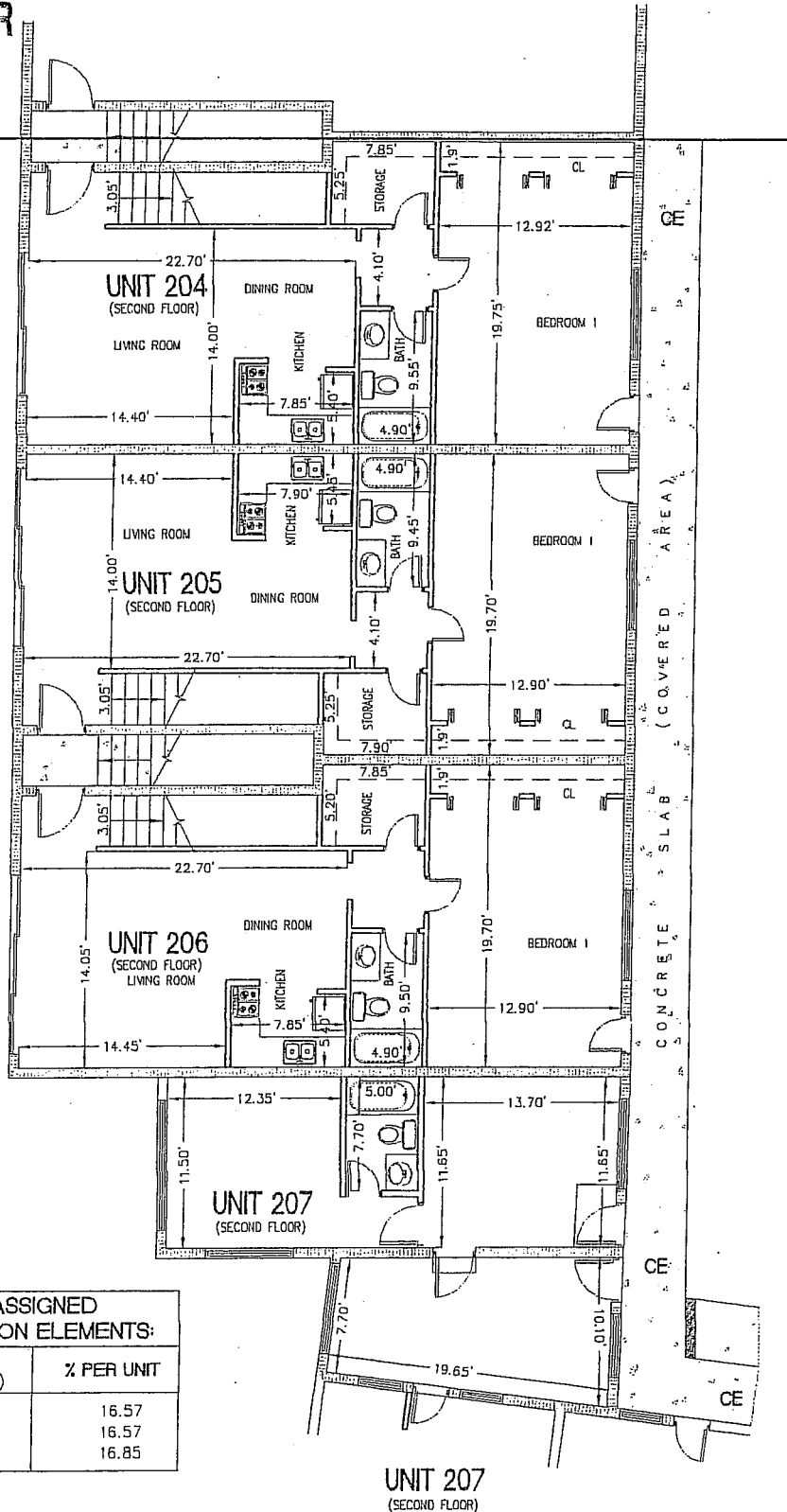


5 10 20

GRAPHIC SCALE IN FEET

SECOND FLOOR

MATCH LINE "A"



PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:

UNIT No.	AREA (SQUARE FEET)	% PER UNIT
204	877	16.57
205	877	16.57
206	892	16.85

SECOND FLOOR

UNIT 207
(SECOND FLOOR)



0 5 10 20

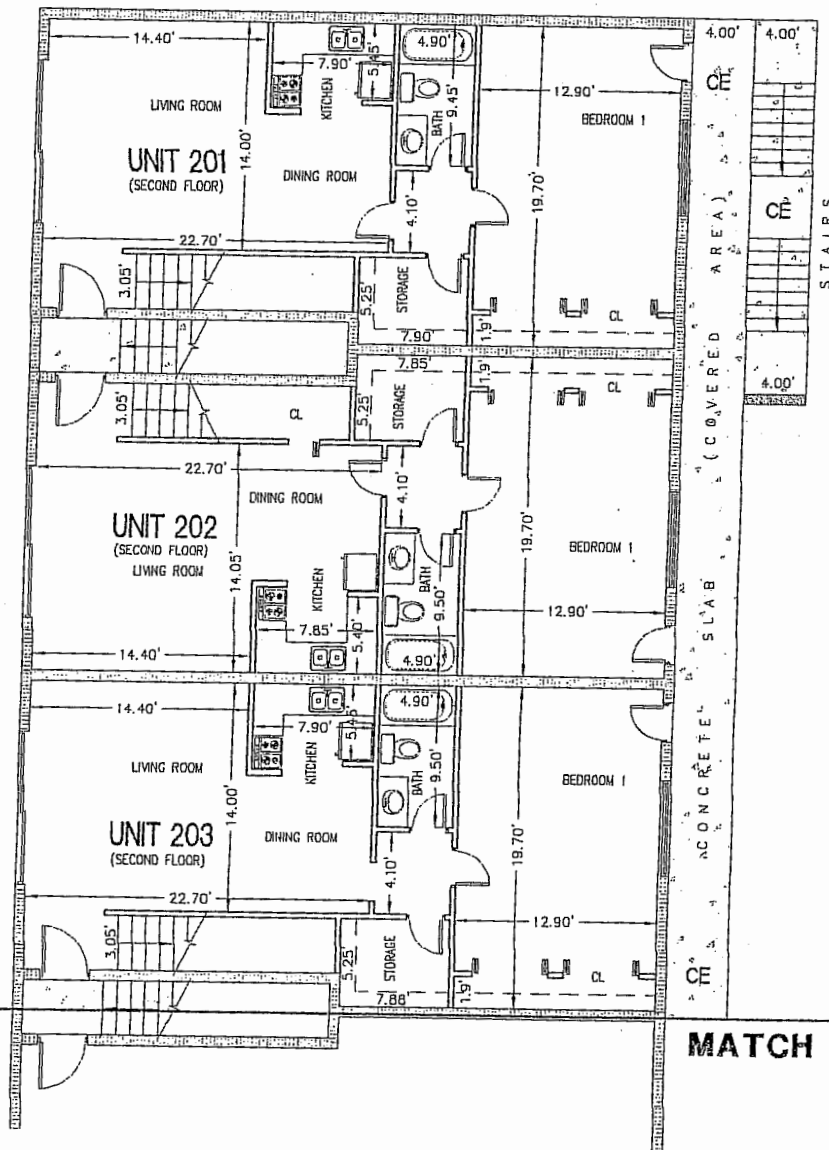
GRAPHIC SCALE IN FEET

SECOND FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:

UNIT No.	AREA (SQUARE FEET)	% PER UNIT
201	892	16.85
202	877	16.57
203	877	16.57

SECOND FLOOR



MATCH LINE "A"



0 5 10 20

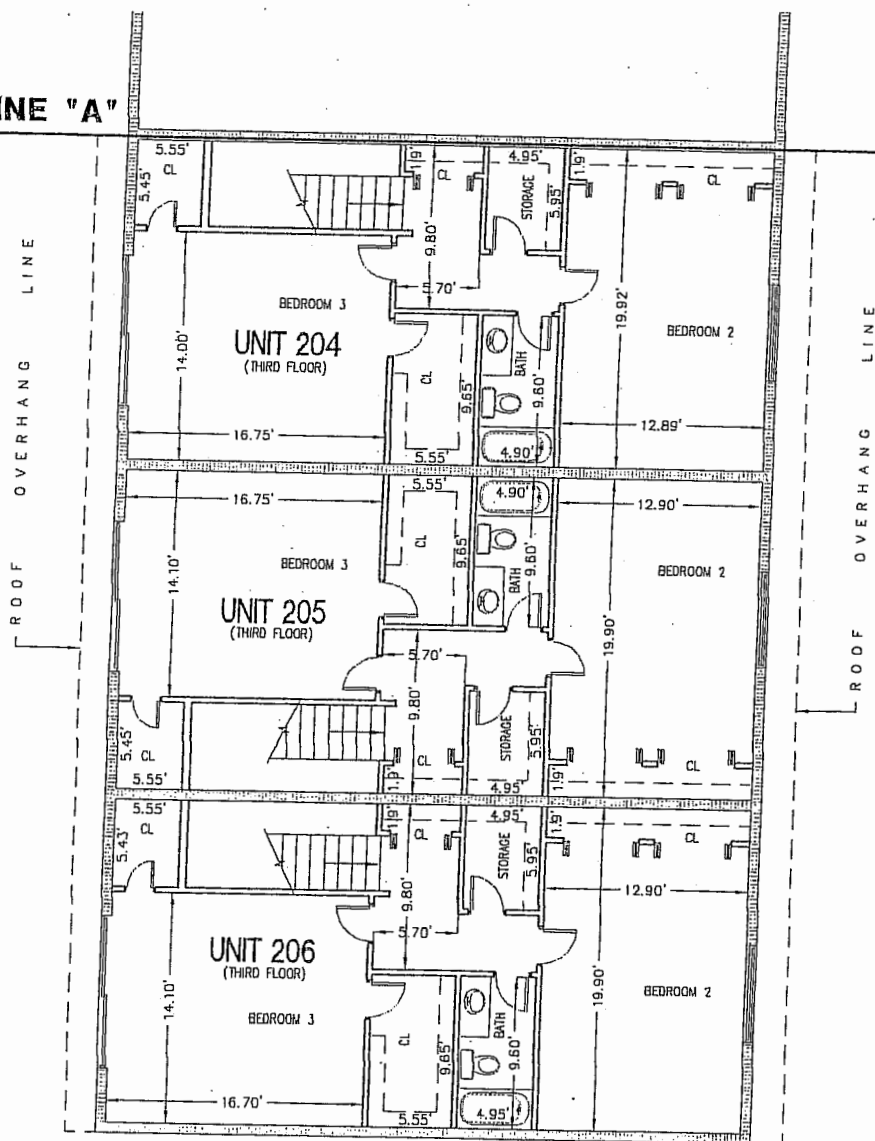
GRAPHIC SCALE IN FEET

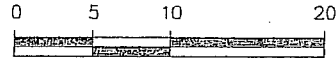
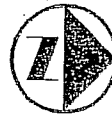
THIRD FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:		
UNIT No.	AREA (SQUARE FEET)	% PER UNIT
204	914	16.58
205	914	16.58
206	928	16.84

THIRD FLOOR

MATCH LINE "A"



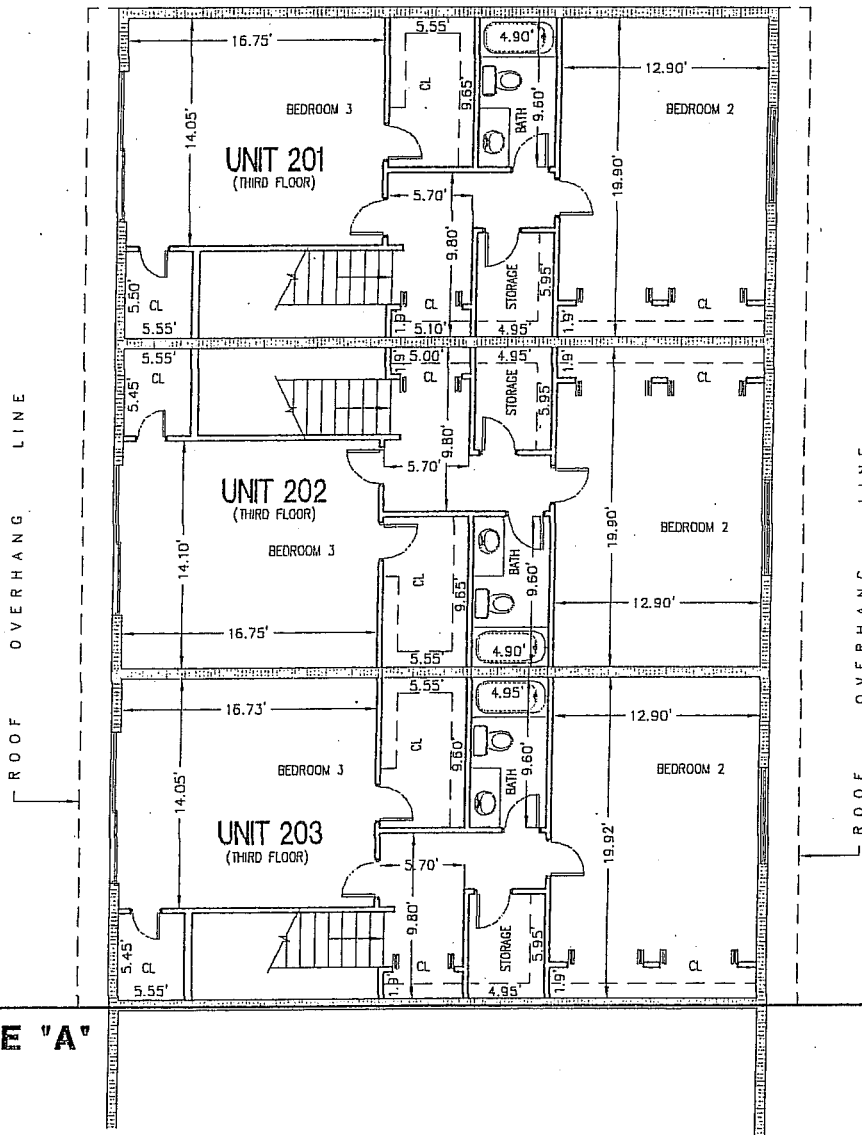


GRAPHIC SCALE IN FEET

THIRD FLOOR

PERCENTAGE OF THE ASSIGNED SHARES OF THE COMMON ELEMENTS:		
UNIT No.	AREA (SQUARE FEET)	% PER UNIT
201	928	16.84
202	914	16.58
203	914	16.58

THIRD FLOOR



MATCH LINE "A"

FLOOR PLANS

505 NE. 20th AVENUE
DEERFIELD BEACH

DATE: 12-18-03

JOB NO. 0312461

DRAWN JS

CHECKED JS

REVISED: 11-09-04

47.2'

UNIT 218
(THIRD FLOOR)

LCE

UNIT 217
(THIRD FLOOR)

LCE

UNIT 216
(THIRD FLOOR)

LCE

UNIT 215
(THIRD FLOOR)

LCE

UNIT 214
(THIRD FLOOR)

LCE

UNIT 213
(THIRD FLOOR)

LCE

UNIT 212
(THIRD FLOOR)

LCE

UNIT 211
(THIRD FLOOR)

LCE

UNIT 210
(THIRD FLOOR)

LCE

UNIT 209
(THIRD FLOOR)

LCE

UNIT 208
(THIRD FLOOR)

LCE

UNIT 207
(SECOND FLOOR)

LCE

UNIT 207
(THIRD FLOOR)

47.2'

200.7'

200.7'

14.8'

8.0'

5.9'

11.6'

13.7'



0 10 20 40

GRAPHIC SCALE IN FEET

ROOF PLAN

505 NE. 20th AVENUE
DEERFIELD BEACH

DATE: 12-18-03

JOB NO. 0312461

DRAWN JS

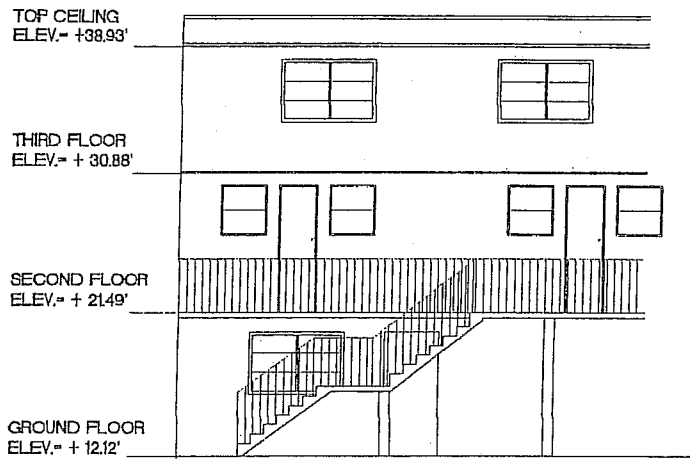
CHECKED JS

REVISED: 11-09-04

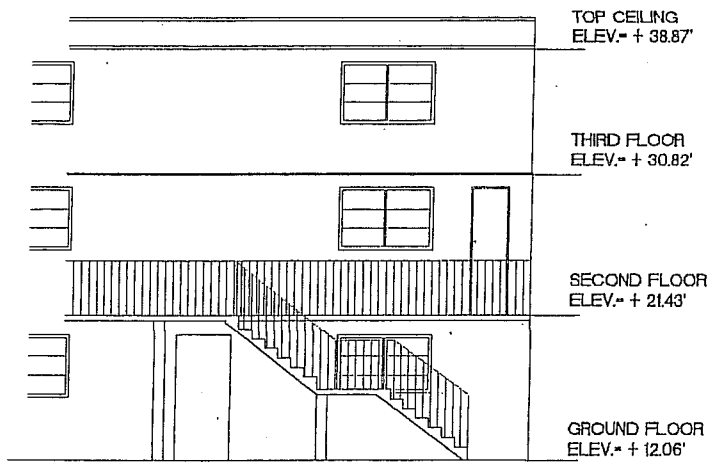
0 5 10 20



GRAPHIC SCALE IN FEET



UNITS 107-118
UNITS 207-218



UNITS 101-106
UNITS 201-206

EXHIBIT J
FREQUENTLY ASKED QUESTIONS AND ANSWERS SHEET



August 19, 2003

Mr. Kevin L. Deeb
Deeb & Deeb, P.A.
2350 Coral Way
Suite 401
Miami, Florida 33145

Dear Mr. Deeb:

**RE: PROPERTY DESCRIBED AS 505 NE 20 AVENUE, DEERFIELD BEACH,
FL 33441**

In reply to inquiry dated August 5, 2003, regarding the conversion of the above referenced property from rental apartments to residential condominium ownership, the zoning regulations specified in the Deerfield Beach Land Development Code do not distinguish between renter occupied and owner occupied residences. The regulations that apply to apartments also apply to condominiums, therefore, the City has no objection to the conversion of the property in respect to the local zoning regulations.

Please do not hesitate to contact us should you have any further questions on this matter.

Yours truly,

A handwritten signature in dark ink, reading "Gerald R. Ferguson".

Gerald R. Ferguson, AICP
Director of Planning & Growth Management

GRF:dm

Mayor
Albert R. Capellini, P.E.

Vice Mayor
Amadeo Trinchitella

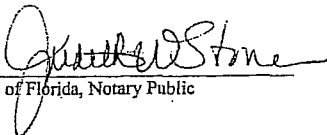
Commissioners
Gwyndolen A. Clarke-Reed
Steve Gonot
Peggy Noland

City Manager
Larry R. Deetjen

State of Florida

County of Broward

This instrument was acknowledged before me this 2nd day of October, 2003 by Miceal O'Leary as Managing Member of 505, LLC, a Florida limited liability company. He is personally known to me or produced as identification and did not take an oath.


State of Florida, Notary Public

My commission expires:



Judith W. Stoner
Commission #DD195705
Expires: May 03, 2007
Bonded Thru
Atlantic Bonding Co., Inc.



EXHIBIT P
CERTIFICATE OF INCORPORATION

Certificate of Status

I certify from the records of this office that 505 DEERFIELD LLC, is a limited liability company organized under the laws of the State of Florida, filed electronically on August 08, 2003.

The document number of this company is L03000029269.

I further certify that said company has paid all fees due this office through December 31, 2003, and its status is active.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 030808081605-200022144582#1

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Eighth day of August, 2003



Glenda E. Hood
Glenda E. Hood
Secretary of State

**Electronic Articles of Organization
For
Florida Limited Liability Company**

L03000029269
FILED 8:00 AM
August 08, 2003
Sec. Of State

Article I

The name of the Limited Liability Company is:

505 DEERFIELD LLC

Article II

The street address of the principal office of the Limited Liability Company is:

600 BRICKELL AVENUE
SUITE 300 Y
MIAMI, FL. US 33131

The mailing address of the Limited Liability Company is:

600 BRICKELL AVENUE
SUITE 300 Y
MIAMI, FL. US 33131

Article III

The purpose for which this Limited Liability Company is organized is:

ANY AND ALL LAWFUL BUSINESS.

Article IV

The name and Florida street address of the registered agent is:

GUILLERMO PANIZA
600 BRICKELL AVENUE
SUITE 300 Y
MIAMI, FL. 33131

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: GUILLERMO PANIZA

EXHIBIT Q
ESCROW AGREEMENT

ESCROW AGREEMENT

THIS AGREEMENT is made this 15th day of November, 2004, by and between 505 Deerfield, LLC, a Florida limited liability company, having its offices at 2850 Douglas Road, PH-4, Coral Gables, Florida 33134 (the "Developer") and Deeb Law Firm, P.A., a Florida professional association, having its offices at 2350 Coral Way, Suite 401, Miami, Florida 33145-3536 ("Escrow Agent").

WITNESSETH:

WHEREAS, Developer intends to create a condominium to be known as 505 Deerfield, a Condominium (the "Condominium"), located at 505 NE 20th Street, Deerfield Beach, Florida; and

WHEREAS, Developer intends to enter into agreements for the sale and purchase of condominium units in the Condominium, each of which is hereafter called the "Purchase Agreement"; and

WHEREAS, Developer desires to make arrangements to escrow deposits to be paid pursuant to the Purchase Agreements in accordance with the provisions of the Florida Condominium Act (Section 718.202(1), (2) and (3), Florida Statutes); and

WHEREAS, Escrow Agent has agreed to hold and disburse the deposits it receives pursuant to the terms and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing premises, and intending to be legally bound hereby, Developer and Escrow Agent agree as follows:

1. From time to time, Developer will deliver checks payable to or endorsed to Escrow Agent which will represent all of the deposit monies paid pursuant to the Purchase Agreements, together with a copy of each executed Purchase Agreement between the Developer and the buyer. Escrow Agent shall provide Developer with a receipt for each deposit, delineating thereon the name of the buyer, the condominium unit number, and the amount of the deposit. Escrow Agent shall also give the buyer named in the Purchase Agreement a similar receipt for any deposit monies of the buyer, upon request of the buyer.

2. The Escrow Agent shall disburse the buyer's deposit escrowed hereunder and a prorata portion of any interest earned thereon, determined as hereinafter provided, in accordance with the following:

(a) To the buyer within ten days after the receipt of the Developer's written certification that the buyer has properly terminated his Purchase Agreement.

(b) To the Developer within ten days after the receipt of the Developer's written certification that the buyer's Purchase Agreement has been terminated by reason of the buyer's failure to cure a default in performance of buyer's obligations thereunder, provided, however, in the event of a closing and the failure of Escrow Agent to receive instructions and/or the notice contemplated in 2(d) below, then Escrow Agent shall disburse the deposit monies with respect to the Purchase

Agreement for which a closing has occurred to Developer upon the expiration of six months after such closing, unless prior to the expiration of such six month period Escrow Agent has received from the buyer under such Purchase Agreement written notice of a dispute between such buyer and Developer.

(c) Intentionally Left Blank.

(d) If the deposit of a buyer, together with any interest earned thereon has not been previously disbursed in accordance with the provisions of 2(a), 2(b) and 2(c) above, the same shall be disbursed to the Developer upon receipt from the Developer of a closing statement or other verification signed by the buyer or his attorney or authorized agent, reflecting that the transaction for the sale and purchase of the subject condominium unit has been closed and consummated; provided, however, that no disbursement shall be made under this paragraph 2(d) if prior to the disbursement, the Escrow Agent receives from buyer written notice of a dispute between the buyer and the Developer, until such dispute is settled; or Escrow Agent may then proceed in accordance with the other provisions of this Agreement.

(e) The Escrow Agent shall, at any time, make distribution of the buyer's deposit and any interest earned thereon upon written direction duly executed by the Developer and buyer.

3. Interest earned on any deposit shall have been deemed to be earned on a day to day basis commencing upon bank clearance of the funds represented by such buyer's deposit to the date of disbursement of such deposit.

4. Intentionally Left Blank.

5. All funds will be invested only in securities of the United States or an agency thereof, or in accounts in institutions the deposits of which are insured by an agency of the United States. The Escrow Account shall be in the name of Developer, by the Escrow Agent for the benefit of applicable buyers from time to time and shall be clearly denoted on the record of the Escrow Agent as an Escrow Account. The Escrow Agent shall have no liability in the event of a failure or insolvency of the institution in which the funds are deposited and is hereby released and exonerated from any and all liability, whether now existing or hereafter arising, by reason of any loss resulting from the failure of any such designated institution to pay upon demand, monies deposited therein or any interest accrued thereon.

6. The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statements or assertion contained in such writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any written instructions delivered to it; the sufficiency of the title to the property to be conveyed; nor as to the identity, authority, or rights of any person executing same. The duties of the Escrow Agent shall be limited to the safekeeping of the deposits and to disbursements of same in accordance with the written instructions described above. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent. Upon the Escrow Agent's disbursing the deposit of a buyer in accordance

with the provisions hereof, the escrow shall terminate as regards said buyer's deposit, the Escrow Agent shall thereafter be released of all liability hereunder in connection therewith.

7. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or error of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence, and the Developer agrees to indemnify and hold the Escrow Agent harmless from any claims, demands, causes of action, liability, damages or judgments, including the cost of defending any action against it, together with any reasonable attorney's fees incurred therewith, in connection with Escrow Agent's undertaking pursuant to the terms and conditions of this Agreement, unless such act or omission is a result of the willful misconduct or gross negligence of the Escrow Agent.

8. In the event of disagreement about the interpretation of this Agreement, or about the rights and obligations or the propriety of any action contemplated by the Escrow Agent hereunder, Escrow Agent may, at its sole discretion, file an action in interpleader to resolve the said disagreement. Escrow Agent shall be indemnified by Developer for all costs, including reasonable attorney's fees, in connection with the aforesaid interpleader action.

9. The Escrow Agent may resign at any time upon the giving of 30 days' written notice to Developer. Within said 30 day period, Developer shall have the sole right to appoint a successor escrow agent upon notice to the Escrow Agent and the buyers. Thereupon, all funds shall be transferred from the Escrow Agent to the successor escrow agent, providing the successor escrow agent executes an escrow agreement in substantially the same form and substance as this Agreement. A successor escrow agent shall be either a bank, a savings and loan association, an attorney who is a member of the Florida Bar, a real estate broker registered under Chapter 475 of Florida Statutes, or a title insurance company authorized to do business in the State of Florida, acting through either its employees or a title insurance agent licensed under Chapter 626 of Florida Statutes, or any financial lending institution having a net worth in excess of \$5,000,000. If a successor escrow agent is not appointed by the Developer within 30 days after notice of resignation, the Escrow Agent may petition any court of competent jurisdiction to name a successor escrow agent; and the Escrow Agent herein shall be fully relieved of all liability under this Agreement to any and all parties, upon the transfer of and due account for the escrow deposits to the successor escrow agent either designated by the Developer or appointed by the court.

10. In the event Escrow Agent is joined as a party to a lawsuit by virtue of the fact that it is holding a buyer's deposit, Escrow Agent shall, at its option, either tender said deposit to the registry of the court or disburse same in accordance with the court's ultimate disposition of the cause and Escrow Agent shall be entitled to its reasonable attorney's fees and court costs in accordance with the Purchase Agreement.

11. This Agreement shall be construed and enforced according to the laws of the State of Florida and this Agreement shall be made a part, in its entirety, of any prospectus (required by

Section 718.503-505, Florida Statutes) distributed to the buyer or prospective buyers of condominium units in the Condominium.

12. This Agreement shall be expressly incorporated by reference in all Purchase Agreements between Developer and buyers.

13. This Agreement represents the entire agreement between the parties with respect to the subject matter hereof and shall be binding upon the parties, their respective successors and assigns.

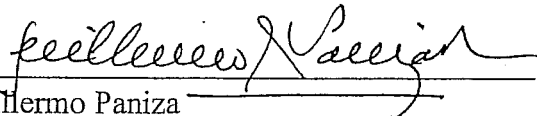
14. Developer acknowledges that any willful failure to comply with the escrow provisions of Section 718.202, Florida Statutes, constitutes a criminal offense pursuant to Section 718.202(7), Florida Statutes.

15. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument which may be sufficiently evidenced by one such counterpart.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the day and year first above written.

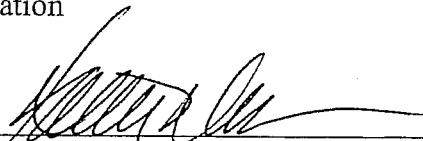
Developer:

505 Deerfield, LLC, a Florida limited liability company

By: 
Guillermo Paniza
Managing Member

Escrow Agent:

Deeb Law Firm, P.A., a Florida professional association

By: 
Kevin L. Deeb
For the firm

RECEIPT OF CONDOMINIUM DOCUMENTS

RECEIPT FOR CONDOMINIUM DOCUMENTS

The undersigned acknowledges that the documents checked below have been received or, as to plans and specifications, made available for inspection.

505 Deerfield, a Condominium
505 NE 20TH Street
Deerfield, Florida

Place a check in the column by each document received or, for the plans and specifications, made available for inspection. If an item does not apply, place "N/A" in the column.

DOCUMENT	RECEIVED
Prospectus	✓
Declaration of Condominium	✓
Articles of Incorporation	✓
Bylaws	✓
Estimated Operating Budget	✓
Form of Agreement for Sale or Lease	✓
Rules and Regulations	✓
Covenants and Restrictions	N/A
Ground Lease	N/A
Management and Maintenance Contracts for More Than One Year	N/A
Renewable Management Contracts	N/A
Lease of Recreational and Other Facilities to be Used Exclusively by Unit Owners of Subject Condominium	N/A
Form of Unit Lease if a Leasehold	N/A
Declaration of Servitude	N/A
Sales Brochures	N/A

Phase Development Description (See '718.503(2)(k) and 718.504(14), F.S.)	N/A
Lease of Recreational and Other Facilities to be Used by Unit Owners with Other Condominiums (See '718.503(2)(h), F.S.)	N/A
Description of Management for Single Management of Multiple Condominiums (See 718.503(2)(k)F.S.)	N/A
Conversion Inspection Report	✓
Conversion Termite Inspection Report	✓
Plot Plan	✓
Floor Plan	✓
Survey of Land and Graphic Description of Improvements	✓
Executed Escrow Agreement	✓
Plans and Specifications	MADE AVAILABLE
Local and State Approval of Development Plan	✓
Frequently Asked Questions and Answers Sheet	✓
Evidence of Developer's Ownership or Contractual Interest	✓

THE PURCHASE AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THE PURCHASE AGREEMENT BY THE BUYER AND RECEIPT BY THE BUYER OF ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER. THE AGREEMENT IS ALSO VOIDABLE BY THE BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR

A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE DOCUMENTS REQUIRED. BUYER'S RIGHT TO VOID THE PURCHASE AGREEMENT SHALL TERMINATE AT CLOSING.

Executed this __ day of _____, 200__.

Purchaser

Printed Name: _____

Purchaser

Printed Name: _____