

THIS INSTRUMENT PREPARED BY:
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DECLARATION OF CONDOMINIUM

ESTABLISHING

ACQUILUS III, A CONDOMINIUM

SUBMISSION STATEMENT

ACQUILUS, LLC, a Delaware limited liability company, hereinafter called the "Developer," for itself, its successors, grantees and assigns, being the holder of fee simple title to the real property described on Exhibit "A" attached hereto and made a part hereof, hereby states and declares that said property and improvements are submitted to condominium ownership, pursuant to the requirements of the statutes of the State of Florida, hereinafter sometimes referred to as the "Condominium Act," the provisions of which are hereby incorporated by reference as is fully set forth herein, and does hereby file for record this Declaration of Condominium.

All restrictions, reservations, covenants, conditions and easements contained herein shall constitute covenants running with the land or equitable servitudes upon the land as the case may be, shall be non-exclusive and perpetual unless sooner terminated as upon all Unit Owners, as hereinafter defined, and their grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns and all parties claiming by, through or under such persons agree to be bound by the provisions hereof and the By-Laws of the Association. Both the burdens imposed and the benefits granted shall run with each Unit and the interests in the Common Elements.

I. Name

1.01 The name of the Condominium is: ACQUILUS III, A CONDOMINIUM.

1.02 The name of the Unit Owners' Association is ACQUILUS III CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereinafter referred to as the "Association."

II. Land

The land comprising this condominium is described on Exhibit "A" attached hereto and made a part hereof as if fully set forth herein.

III. Definitions

The terms used in this Declaration and in its Exhibits, including the By-Laws of the Association, shall be defined in accordance with the provisions of the Condominium Act, State of Florida and as follows unless the context otherwise requires:

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

3.02 "Association" - means the corporate entity responsible for the operation of the Condominium.

3.03 "Board of Administration" - means the Board of Directors of the Association or other representative body responsible for administration of the Association.

3.04 "By-Laws" - means the By-Laws of the Association existing from time to time.

3.05 "Common Elements" - means the portions of the Condominium Property not included in the Units.

3.06 "Common Expenses" - means all expenses and Assessments properly incurred by the Association for the Condominium.

3.07 "Common Surplus" - means the excess of all receipts of the Association, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, over the Common Expenses.

3.08 "Condominium" - means that form of ownership of real property which is created pursuant to the provisions of the Florida Condominium Act and which is comprised of Units that may be owned by one or more persons, and there is appurtenant to each Unit an undivided share in the Common Elements.

3.09 "Condominium Parcel" - means a Unit together with the undivided share in the Common Elements which is appurtenant to the Unit.

3.10 "Condominium Property" - means the lands, leaseholds, and personal property that are subject to condominium ownership, whether or not contiguous, all improvements thereon, and all easements and rights appurtenant hereto intended for use in connection with the Condominium.

3.11 "Declaration" or "Declaration of Condominium" - means the instrument or instruments by which a Condominium is created as they are from time to time amended.

3.12 "Developer" - means ACQUILUS, LLC, a Delaware limited liability company, its grantees, successors and assigns. Developer shall have the right to assign any and all of the rights and privileges reserved for Developer under this Declaration. An Owner shall not, solely by the purchase of a Unit, be deemed a successor or assign of Developer or of the rights of Developer under the Condominium Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Developer.

3.13 "Institutional First Mortgage" - means a mortgage owned or held by an Institutional First Mortgagee.

3.14 "Life Safety Systems" – mean and refer to any and all emergency lighting, audio and visual signals, safety systems, sprinklers and smoke detection systems, which are now or hereafter in the Condominium, whether or not within the Units. All such Life Safety Systems, together with all conduits, wiring, electrical connections and systems related thereto, regardless of where located, shall be deemed Common Elements hereunder. Without limiting the generality of the foregoing, when the context shall so allow, the Life Safety Systems shall also be deemed to include all means of emergency ingress and egress, which shall include all stairways and stair landings. Notwithstanding the breadth of the foregoing definition, nothing herein shall be deemed to suggest or imply that the Condominium contains all such Life Safety Systems.

3.15 "Limited Common Elements" - means 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, including, but not limited to, the garage spaces designated for each Unit as depicted on Exhibit "C".

3.16 "Mortgagee" or "Institutional First Mortgagee" - means a bank, Federal or State savings and loan association, insurance company, mortgage company, real estate investment or business trust, pension fund, an agency of the United States government, any other lender generally recognized as an institutional type lender, or the Developer (including any nominee of Developer) owning and holding a mortgage encumbering a Condominium Unit.

3.17 "Operation" or "Operation of the Condominium" - includes the administration and management of the Condominium Property.

3.18 "Stormwater Management System" means a system which is designed, constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation and water pollution, or to otherwise affect the quality and quantity of discharge from the system, as permitted pursuant to Chapter 40C-4, 40C-40 or 40C-42, Florida Administrative Code.

3.18 "Unit" or "Apartment" - means 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 this Declaration.

3.19 "Unit Owner" or "Owner of a Unit" - means the owner of a Condominium Parcel.

Whenever the context so permits, the use of the singular shall include the plural, and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

IV. Description

The Condominium is described as follows:

4.01 A survey of the land submitted to condominium ownership is set forth on Exhibit "C" attached hereto. The Affidavit of Surveyor as to the Substantial Completion of the improvements is attached hereto and made a part hereof as Exhibit "C". A graphic description of the improvement or improvements in which Units are located and the identification of each Unit by letter, name or number, so that no Unit bears the same designation as any other Unit, and the plot plan thereof, all in sufficient detail to identify the Common Elements and each Unit and their respective locations and approximate dimensions is attached hereto as and made a part hereof as Exhibit "E".

4.02 The Developer reserves the right to change the interior design or arrangement of some or all of the Units as long as the Developer owns the Units so changed and altered, and provided that such change materially alters the Unit, such change shall be reflected by an amendment of this Declaration; any amendment for such purpose need be signed and acknowledged only by the Developer and need not be approved by any other person, including, but not limited to, mortgagees, the Association, contract vendees, or Unit Owners, anything herein to the contrary notwithstanding. No amendment pursuant to this subsection may change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit or change the proportion or percentage by which the Owner of the parcel shares the Common Expenses or owns the Common Surplus.

4.03 The following non-exclusive easements shall be covenants running with the land and are expressly granted and/or reserved in favor of the Unit Owners, occupants of any Unit, their guests and invitees, to-wit:

(1) Utilities: Blanket non-exclusive easements are reserved throughout the Condominium Property as may be required for utility services in order to adequately serve the Condominium area. In the event any Unit, recreation area, Common or Limited Common Element encroaches upon any utility easement either granted or reserved hereby, by plat or otherwise, such encroachment shall entitle the Owner or Owners of such encroaching property and their mortgagees, if any, to an automatic non-exclusive easement on said utility easement for as long as such encroachment shall continue.

(2) Encroachments: In the event that any Unit shall encroach upon any of the Common Elements or any other Unit for any reason other than the intentional act of the Unit Owner or in the event that any Common Element shall encroach upon any Unit, then an easement shall exist to the extent of such encroachments so long as the same shall continue.

(3) Traffic: An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies, elevators, if any, and other portions of the Common Elements as may be from time to time 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 may from time to time be paved and intended for such purposes, and such easements shall be for the use and benefit of the Unit Owners and those claiming by, through or under the aforesaid; provided, however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the Condominium Property.

(4) Access: Each Unit Owner and any officer, agent, employee or designee of the Association or member of the Board of Administration of the Association shall have access across any Limited Common Elements for the purpose of ingress and egress.

(5) A non-exclusive easement for ingress and egress over streets, walks and other rights-of-way serving the Units of this Condominium as part of the Common Elements necessary to provide reasonable access to the public ways.

(6) Stormwater Management System.

(a) Blanket Easement. The plan for the development of the Condominium includes the construction of a Stormwater Management System, which may include, without limitation, retention areas, swales, conduits, weirs, pipes, pumps and berms across the Condominium Property. Developer hereby reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual nonexclusive easement over and across all areas of the Stormwater Management System for the drainage of stormwater from the Condominium.

(b) “Stormwater Management System” Defined. “Stormwater Management System” means a system which is designed, constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation and water pollution, or otherwise affect the quality and quantity of discharges from the system, as permitted pursuant to Chapter 40C-4, 40C-40 or 40C-42, Florida Administrative Code.

(c) Maintenance. The Association shall operate, maintain and repair the Stormwater Management System as required by the St. Johns River Water Management District (“District”) permit. In order to provide adequate assurance that this stormwater management system will adequately function, the following maintenance procedures are hereby established for the permanent maintenance staff: (i) inspect all inlets and control structures for vandalism, deterioration or accumulation of sand and debris, and remove debris and repair as necessary; (ii) inspect and remove any debris in control structures, or blockage of orifice system, if so equipped; (iii) inspect and/or repair skimmer boards around control structures as necessary. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any gradings of soil, construct or modify any berms placed along the rear of any lots as part of the Stormwater Management System, providing maintenance and erosion control to the embankments of the surface water management system or take any other action reasonably necessary, following which Developer of the Association shall restore the affected property to its original condition as nearly as practicable.

Such maintenance shall include the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance or other capabilities in accordance with all the permits, statutes, rules and regulations pertaining to surface water management, drainage and water quality promulgated by the District, Florida Department of Environmental Protection, and all other local, state and federal authorities having jurisdiction. The Association shall maintain and control the water level and quality of the Stormwater Management System, the bottoms of any portion of the surface water management system or drainage easements which retain or hold stormwater on a regular basis. The Association shall have the power, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish and fungi in and on any portion of the surface water management system or drainage easements. The Association shall maintain all shoreline vegetation and the grade and control of all embankments to the water’s edge (as it may rise and fall from time to time) irrespective of ownership of such land, keep the grass, plantings, and other lateral support of the embankments in a clean and safe manner and to prevent erosion and shall remove trash and debris as it may accumulate in the System, from time to time.

(d) Use and Access. Developer and the Association shall have the right to adopt reasonable rules and regulations from time to time in connection with the use of the surface waters of any portion of the Stormwater Management System and shall have the right to deny such use to any person who, in the opinion of Developer or the Association, may create or participate in a disturbance or nuisance on any part of the Stormwater Management System. The use of such surface waters by the Owners shall be subject to and limited by the rules and regulations of Developer and the Association, all permits issued by governmental authorities, and any rights granted to other persons pursuant to the rules and regulations of Developer and the Association. Only Developer and the Association shall have the right to pump or otherwise remove any water from any part of the Stormwater Management System for purposes of irrigation or any other use. No gas or diesel driven watercraft shall be operated on any portion of the Stormwater Management System, including the retention lakes.

(e) LIABILITY. NEITHER DEVELOPER NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS OR INVITEES IN CONNECTION WITH THE SURFACE WATER MANAGEMENT SYSTEM AND DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS OR INVITEES RELEASES DEVELOPER AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH.

NEITHER DEVELOPER, THE ASSOCIATION NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY ANY APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VITURE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER IN TO WATER BODIES CONTAINED WITHIN OR ADJACENT TO THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST ANY DEATH, INJURY OR DAMAGED CAUSED BY SUCH WILDLIFE.

ALL PERSONS ARE HEREBY NOTIFIED THAT LAKE BANKS AND SLOPES WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY THEIR ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT WITHIN THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION OR TOPOGRAPHY OR ANY LAKE BANKS, SLOPES OR BOTTOMS.

(f) Wetlands and Jurisdictional Lands. This Declaration is subject to the rights of the State of Florida over portions of the Property which may be considered wetlands, marshes, sovereignty or jurisdictional lands, and every Owner and the Association shall obtain any permit necessary prior to undertaking any dredging, filling, mowing, improving, landscaping or removal of plant life existing on the Condominium Property.

(g) Rights of the District. Notwithstanding any other provisions contained elsewhere in this Declaration, the District shall have the rights and powers enumerated in this Article. The District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Stormwater Management System. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved by the District. No person shall alter the drainage flow of the Stormwater Management Systems, including any buffer areas, swales, treatment berms or swales, without the prior written approval of the District. Any amendment to this Declaration which alters the Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Condominium and Association Property, must have prior written approval of the District. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the Stormwater Management System must be assigned to and accepted by an entity approved by the District.

(h) Indemnity. Developer may be required to assume certain duties and liabilities for the maintenance of the Stormwater Management System or drainage system within the Property under

the permits or certain agreements with governmental agencies. The Association further agrees that subsequent to the recording of this Declaration, it shall hold Developer harmless from all suits, actions, damages, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Stormwater Management System occasioned in whole or in part by any action, omission of the Association or its agents, contractor, employees, servants or licensees, but not excluding any liability occasioned wholly or in part by the acts of the Developer, its successors or assigns. Upon completion of construction of the Stormwater Management System or drainage system, Developer shall assign all its rights, obligations and duties thereunder to the Association. The Association shall assume all such rights, duties and liabilities and shall indemnify and hold Developer harmless therefrom.

V. Identification of Units, Limited Common Elements and Common Elements, Survey, Shares in Common Elements, Prorations of Common Expenses, Voting Rights

5.01 The Condominium Units and all other improvements constructed on the Condominium Property are set forth in detail in Exhibits "C", "D" and "E" attached hereto. Each Condominium Unit is described in such a manner that there can be determined therefrom the identification, location and dimensions of such Unit and the Common Elements appurtenant thereto.

Each Condominium Unit is identified by a number, letter or name or combination thereof, so that no Unit bears the same designation as any other Unit. Areas designated as "LCE" or Limited Common Elements on Exhibits "C" and "E" attached hereto are Limited Common Elements in accordance with Article XIII hereof. All remaining areas are Common Elements.

5.02 The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:

- (1) Upper Boundaries: The horizontal plane of the unfinished lower surface of the ceiling.
- (2) Lower Boundaries: The horizontal plane of the unfinished upper surface of the floor of the Unit.
- (3) Interior Divisions: Except as provided herein, no part of the nonstructural interior walls shall be considered a boundary of the Unit.

The perimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries.

Where there are apertures in any boundary, including, but not limited to, doors and skylights, such boundaries shall be extended to include the doors and other fixtures located in such apertures, excluding windows, but including all frameworks, window casings and weather stripping thereof, together with exterior surfaces made of glass or other transparent materials; provided, however, that the exteriors of doors facing interior Common Element hallways shall not be included in the boundaries of the Unit and shall heretofore be Common Elements. Further, notwithstanding anything to the contrary, the structural components of the building and the Life Safety Systems, regardless where located, are expressly excluded from the Units and are instead deemed Common Elements. It is specifically noted that the air conditioning units, while located outside the Units, are the responsibility of the Unit Owner.

Notwithstanding anything contained herein to the contrary, the air conditioning units and portions of utility lines serving only one Unit are the responsibility of the Unit Owner regardless of whether they are located in a Unit or in the Common Elements.

In cases not specifically covered above and/or in any case of conflict or ambiguity, the survey of the Units set forth on Exhibit "C" attached hereto shall control in determining the boundaries of a Unit, except that the provisions in the preceding paragraphs above shall control unless specifically depicted and labeled otherwise on such survey

5.03 Subject to any provisions of the By-Laws of the Association applicable thereto, a Unit Owner is entitled to one (1) vote for each Unit owned. If a Unit is owned by more than one person, the Owners of said Unit shall designate one (1) of them as the voting member, or, in the case of ownership by a corporation, an officer or an employee thereof shall be designated the voting member. The vote of a Unit shall not be divisible.

VI. Condominium Parcels, Appurtenances, Possession and Enjoyment

6.01 The Condominium Parcel is a separate parcel of real property owned in fee simple, or any other estate of real property recognizable by law.

6.02 There shall pass with a Unit as appurtenances thereto:

- (1) An undivided share in the Common Elements and Common Surplus.
- (2) The exclusive right to use the portion of the Common Elements as may be provided by the Declaration.
- (3) An exclusive easement for the use of the air spaces 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. An easement in air space which is vacated shall be terminated automatically.
- (4) A Unit Owner is entitled to the exclusive possession of his Unit, subject to the irrevocable right of the Association to access to each Unit during reasonable hours when necessary for the maintenance, repair or replacement of any Common elements, or for making emergency repairs necessary to prevent damage to Common Elements or to another Unit or Units. A Unit Owner shall be entitled to use the Common Elements in accordance with the purpose for which they are intended, but no use may hinder or encroach upon the lawful rights of other Unit Owners.

VII. Restraint Upon Separation and Partition of Common Elements

7.01 The undivided share in the Common Elements which is appurtenant to a Unit shall not be separated from it and shall pass with the title to the Unit whether or not separately described.

7.02 The share in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered, except with the Unit.

7.03 The share in the Common Elements appurtenant to Units is undivided, and no action for partition of the Common Elements shall lie.

VIII. Common Elements

8.01 Common Elements include within their meaning the following items:

- (1) The Condominium Property which is not included within the Units.
- (2) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Unit and the Common Elements.
- (3) An easement of support in every portion of a Unit which contributes to the support of a building.
- (4) The property and installations required for the furnishing of utilities and other services to more than one Unit to the Common Elements.
- (5) The parking spaces designated as Common Elements on the Condominium Property as set forth on Exhibit "C" attached hereto and made a part hereof. The Association may, in its discretion, promulgate rules and regulations regarding the use and assignment of parking spaces.

8.02 Any person having any interest under mortgages of record that encumber any portion of the Common Elements that are not satisfied prior to the recordation of this Declaration shall consent to the recordation of this Declaration; provided, however, in lieu of joining in the execution of this Declaration, any mortgagee may execute an appropriate consent or subordination agreement with the formalities required for deeds.

8.03 Recreational facilities may be expanded or added by the Developer without the consent of the Unit Owners or the Association.

IX. Amendment of Declaration

9.01 Unless otherwise provided herein, the Declaration may be amended by two thirds (2/3) of the Unit Owners executing a modification or amendment to this Declaration with the formalities of a deed and recording same in the Public Records of the County in which the Condominium is located; or in the alternative, this Declaration may be amended at any regular or special meeting of the Unit Owners called or convened in accordance with the By-Laws the affirmative vote of voting members casting not less than two thirds (2/3) of the total vote of the members of the Association and the execution by the Association an amendment with the formalities of a deed and recording same in the Public Records of the County in which the Declaration is recorded.

(1) Such an amendment may change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the Owner of the Unit shares the Common Expenses and owns the Common Surplus provided that, in addition to the vote required above, the record Owner of the Unit and all record owners of liens on it join in the execution of the amendment, provided, however, this section shall not apply to the acquisition of a Unit by the Association.

(2) If it appears that through scrivener's error a Unit has not been designated as owning an appropriate undivided share of the Common Elements or does not bear an appropriate share of the Common Expenses or that all the Common Expenses or interest in the Common Surplus or all of the Common elements in that Condominium have not been distributed in this Declaration, so that the sum total of the shares of Common Elements which have been distributed or the sum total of the shares of the Common Expenses or ownership of Common Surplus fails to equal one hundred (100%) percent, or if it appears that more than one

hundred (100%) percent of Common Elements or Common Expenses or ownership of Common Surplus have been distributed, the error may be corrected by filing an amendment to this Declaration approved by the Board of Administration or a majority of the Unit Owners.

(3) The Common Elements designated by this Declaration may be enlarged by an amendment in the Declaration. The amendment must describe the interest in the property and must submit the property to the terms of this Declaration. The amendment must be approved and executed as provided herein. The amendment shall vest title in the Unit Owners as part of the Common Elements, without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Elements which are appurtenant to the Unit owned by them.

(4) No amendment shall be passed which shall impair or prejudice the rights and priorities of Mortgagees.

Notwithstanding the foregoing, the consent or joinder of owners of liens on a Unit shall only be required for amendments materially affecting the rights or interests of the lienholder or as otherwise required by the Federal National Mortgage Corporation or the Federal Home Loan Mortgage Corporation, provided that such a requirement provides that such consent may not be unreasonably withheld.

9.02 Notwithstanding anything contained herein to the contrary, while the Developer is entitled to appoint a majority of the Board of Directors, the Declaration may be amended by a majority of the Board of Directors provided that such Amendment shall not change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, nor increase the proportion of Common Expenses nor decrease the ownership of Common Elements borne by a Unit Owner or change a Unit Owner's voting rights nor permit timeshare estates to be created in any Unit without the consent of the affected Unit Owners. Without limiting the generality hereof, such an amendment may include the changing of a Common Element to a Limited Common Element. Amendments to declarations of condominium providing for the transfer of use rights with respect to limited common elements must be effectuated in conformity with the procedures set forth in this Declaration.

Said amendment need only be executed and acknowledged by the Board of Directors and the consent of the Unit Owners, the owner and holder of any lien encumbering a Unit in this Condominium, or any others, shall not be required.

9.03 Notwithstanding anything contained herein to the contrary, the Developer reserves the right to amend the Declaration of Condominium without the consent of Unit Owners in order to meet the requirements of any governmental agency or quasi-governmental corporation participating in the mortgage market, including, but not limited to, the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. Without limitation, such an amendment may include any amendments required or requested by the Department of Business & Professional Regulation of the State of Florida. Any amendments made pursuant to this section shall be limited to matters other than those under subsections 4 and 8 of Chapter 718.110, Florida Statutes.

X. Termination

10.01 The Condominium Property may be removed from the provisions of Florida Statutes Condominium Act only by consent of at least eighty percent (80%) of the Unit Owners evidenced by a recorded instrument to that effect, if not more than ten percent (10%) of the Unit Owners have rejected the plan of termination by negative vote, or by providing written objections thereto, and upon the written consent by all of the holders of recorded liens affecting any of the Condominium Parcels.

10.02 Upon removal of the Condominium Property from the provisions of the Condominium Act, the Condominium Property is owned in common by the Unit Owners in the same undivided shares as each Owner previously owned in the Common Elements. All liens shall be transferred to the undivided share in the Condominium Property attributable to the Unit originally encumbered by the lien in its same priority.

10.03 The termination of a Condominium does not bar the creation of another Condominium affecting all or any portion of the same property.

XI. Equitable Relief

In the event of substantial damage to or destruction of all or a substantial part of the Condominium Property, and if the property is not repaired, reconstructed, or rebuilt within a reasonable period of time, any Unit Owner may petition a court for equitable relief, which may include a termination of the Condominium and a partition.

XII. Enforcement of Maintenance

In the event the Owner of a Unit violates the provisions hereof, the Association or any other Unit Owner shall have the right to proceed in a court of equity to seek compliance with the provisions hereof; or the Association shall have the right to charge the Unit Owner for the necessary sums to correct the violation and to collect such charge. The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair or replacement of any common elements or for making emergency repairs which are necessary to prevent damage to the common elements or to another unit or units.

XIII. Limited Common Elements

Limited Common Elements, including, but not limited to, the garage spaces, as shown on Exhibits "C" and "E" attached hereto are reserved for the use of the Units appurtenant thereto to the exclusion of other Units, and there shall pass with a Unit, as appurtenant thereto, the exclusive right to use the Limited Common Element so appurtenant, subject to the provisions hereof. Except as provided herein, the expense of maintaining the Limited Common Elements shall be a Common Expense of the Association.

The responsibility for the cost of keeping in a clean and orderly condition the Limited Common Elements which are appurtenant to a certain Unit or Units to the exclusion of other Units shall be borne by the Owner(s) of the Unit(s) to which the same are appurtenant, including, without limitation, general cleaning, upkeep of area and appearance, sliding glass doors and any wiring, electrical outlets and fixtures. The Association shall be responsible for maintaining, repairing, repainting, refinishing and replacing the structural and mechanical elements of the Limited Common Elements, including the balconies, porches, lanais and covered garages and shall assess against and collect from the Owners of all Units, as a part of the Assessments, the cost of such maintenance, repair, repainting, refinishing and replacement.

XIV. Insurance and Condemnation Provision

The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property and the Condominium Property required to be insured by the Association pursuant to paragraph 14.02 below. A copy of each policy of insurance in effect shall be made available for inspection by Unit Owners at reasonable times.

The insurance, other than title insurance, which shall be carried upon the Condominium Property and property of the Unit Owners shall be governed by the following provisions:

14.01 Liability Insurance: The Board of Administration of the Association shall obtain public liability and property damage insurance covering all of the Common Elements of the Condominium, and insuring the Association and the Unit Owners, as its and their interests appear, in such amount as the Board of Administration of the Association may determine from time to time, provided that the minimum amount of coverage shall be \$100,000 per person, \$300,000 in the aggregate, and \$10,000 for property damage. Said insurance shall include, but not be limited to, water damage, legal liability, hired automobile, non-owned automobile, and off-premises employee coverages. All liability insurance shall contain a cross-liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner. Premiums for payment of such insurance shall be paid by the Association and charged as a Common Expense.

14.02 Casualty Insurance:

(1) Purchase of Insurance: The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance, insuring all of the insurable improvements within the Condominium, including personal property owned by the Association, in and for the interest of the Association and all Unit Owners and their mortgagees, as their interests may appear, from a company acceptable to the Board of Administration of the Association, in an amount equal to the maximum insurable replacement value, as determined annually by the Board of Administration. All hazard policies issued to protect the Condominium buildings shall provide that the word "building" wherever used in the policy shall include, but shall not necessarily be limited to, fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed, or replacements thereof like kind or quality, in accordance with the original plans and specifications, or as existed at the time the Unit was initially conveyed if the original specifications are not available. However, the word "building" shall not include floor coverings, wall coverings or ceiling coverings. With respect to the coverage provided for by this paragraph, the Unit Owners shall be considered additional insureds under the policy. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Association and shall be charged as a Common Expense. The company or companies, with which the Association shall place its insurance coverage, as herein provided must be good and responsible companies, authorized to do business in the State of Florida. The Institutional First Mortgagee having the highest dollar indebtedness on Units in the Condominium Property shall have the right to approve the policies, the company or companies who are the insurers under the insurance placed by the Association, and the amount thereof, and the right to designate and appoint the Insurance Trustee, which shall be a bank in Florida with trust powers. (All rights granted to Mortgagees in this paragraph shall be referred to as "Mortgagee's Insurance Rights.") In the absence of the action of said Mortgagee, the Association shall have said right without qualifications.

14.03 Loss Payable Provision - Insurance Trustee: All policies purchased by the Association shall be for the benefit of the Association, all Unit Owners and their mortgagees, as their interest may appear. Copies of such policies shall be deposited with the Insurance Trustee who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal, the sufficiency of policies, the failure to collect any insurance proceeds, nor the form or content of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes herein stated, and for the benefit of the Association, the Unit Owners, and their respective mortgagees (hereinafter sometimes collectively referred to as "Beneficial Owner"), in the following shares, but such shares need not be set forth upon the records of the Insurance Trustee:

(1) Common Elements: Proceeds on account of damage to Common Elements - an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(2) Condominium Units: Proceeds on account of Units shall be in the following undivided shares:

(a) Partial Destruction - When units are to be repaired and restored for the Owners of the damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner.

(b) Total destruction of Condominium improvements or where "very substantial" damage occurs and the Condominium improvements are not to be restored, as hereinafter provided in this Article XIV, for the Owners of all Units, each Owner's share being in proportion to his share in the Common Elements appurtenant to his Unit.

(3) Mortgagees: In the event an Institutional First Mortgage encumbers a Unit, the share of the Unit Owner shall be held in trust for the Mortgagee and the Unit Owner, as their interests may appear; provided, however, that 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.

14.04 Distribution of Proceeds: Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the Beneficial Owners and expended or disbursed after first paying or making provision for the payment of the expenses of the Insurance Trustee in the following manner:

(1) Reconstruction or Repair: If the damage, for which the proceeds were paid, is to be repaired and restored, the proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such costs shall be distributed to the Beneficial Owners (or retained, pursuant to paragraph 14.08 below). All remittances to Unit Owners and their mortgagees shall be payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same. Said remittance shall be made solely to an Institutional First Mortgagee when requested by such Institutional First Mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of reduction of its mortgage debt.

(2) Failure to Reconstruct or Repair: If it is determined, in the manner herein provided, that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the Beneficial Owners; remittance to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same. Said remittance shall be made solely to an Institutional First Mortgagee when requested by such Institutional First Mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of its mortgage debt. In the event of loss or damage to personal property belonging to the Association, and should the Board of Administration determine not to replace such personal property as may be lost or damaged, the proceeds shall be disbursed to the Beneficial Owners as surplus in the manner provided in this Article XIV, or retained pursuant to paragraph 14.08 below.

(3) Certificate: In making distribution to Unit Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the name of the Unit Owners and their respective shares of the distribution, approved in writing by an attorney authorized to practice law in the State of Florida, or a title insurance company or abstract company authorized to do business in the State of Florida. Upon request of the Insurance Trustee, the Association shall forthwith deliver such certificate.

14.05 Loss Within a Single Unit: If loss shall occur within a single Unit without damage of the Common Elements, the insurance proceeds shall be distributed to the Beneficial Unit Owner with remittances to said

Unit Owner and his mortgagee being payable jointly. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same; provided, however, such remittance shall be made solely to an Institutional First Mortgagee in the event its mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt. Upon the payment of such remittance, the Unit Owner shall be fully responsible for the restoration of his Unit.

14.06 Loss Less Than "Very Substantial": Where a loss or damage occurs to more than one Unit, to the Common Elements, or to any Unit or Units and the Common Elements, but said loss is less than "very substantial" (as hereinafter defined), it shall be obligatory upon the Association and the Unit Owners to repair or restore the damage caused by said loss. Where such loss or damage is less than "very substantial":

(1) The Board of Administration shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(2) If the damage or loss is limited to the Common Elements, with no, or inconsequential damage or loss to any individual Unit and if such damage or loss to the Common Elements is less than \$5,000, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Association, and the Association shall promptly contract for the repair and restoration of the damage.

(3) Subject to the provisions of subparagraph (6) infra, if the damage or loss involves any individual Unit as well as the Common Elements, or if the damage is limited to the Common Elements alone, but is in excess of \$5,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Association; provided, however, that upon the request of the Institutional First Mortgagee having the highest dollar indebtedness on Units in the Condominium Property, the written approval shall also be required of such Institutional First Mortgagee. Should written approval be required as aforesaid, it shall be said mortgagee's duty to give written notice thereof to the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Association and the Institutional First Mortgagee, if said Institutional First Mortgagee's written approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and final releases and waivers of mechanics' liens to the Insurance Trustee, and execute any Affidavit required by law or by the Association, the aforesaid Institutional First Mortgagee, or the Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the Institutional First Mortgagee whose approval may be required as aforesaid, shall have the right to require the Association to obtain a completion, performance, and payment bond in an amount and with a bonding company authorized to do business in the State of Florida which is acceptable to said mortgagee.

(4) Subject to the foregoing, the Board of Administration shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(5) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof, if the work has actually been done), the Association shall promptly, upon determination of the deficiency, levy a special Assessment against all Unit Owners in proportion to the Unit Owners' share in the Common Elements, for that portion of the deficiency as is attributable to the cost of restoration of the Common Elements, and a Special Charge against the individual Unit Owners for that portion of the deficiency as is attributable to his individual Unit; provided, however, that if the Board of Administration finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to a specific individual Unit which has been damaged, then the Board of Administration shall levy the Assessment for the total deficiency against all of the Unit Owners in proportion to the Unit Owners' share in the Common Elements, just as though all of said damage had occurred in the Common Elements. The Special Charge is fully enforceable in the manner of foreclosing a mortgage upon real property. The special Assessment funds and Special Charge funds shall be delivered by the Association to the Insurance Trustee and added, by said Trustee, to the proceeds available for the repair and restoration of the property.

(6) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by special Assessment within ninety (90) days after the casualty, so that sufficient funds are on hand to fully pay for such restoration and repair, then no mortgagee shall have the right to require the application of insurance proceeds as to the payment of its loan; provided, however, this provision may be waived by the Board of Administration in favor of any Institutional First Mortgagee upon request therefor at any time. To the extent that any insurance proceeds are required to be paid over to such Mortgagee, the Unit Owner shall be obliged to replenish the funds so paid over.

14.07 "Very Substantial" Damage: As used in this Declaration, or any other context dealing with this Condominium, the term "very substantial" damage shall mean loss or damage whereby three-quarters (3/4) or more of the total unit space in any building comprising the Condominium Property is rendered untenable, or loss or damage whereby seventy-five (75%) percent or more of the total amount of insurance coverage on any of said buildings becomes payable. The Board of Administration shall promptly obtain reliable and detailed estimates of the cost of repair and restoration thereof. Should such "very substantial" damage occur, then:

(1) If such very substantial damage has occurred to only one building, and in the absence of any determination to abandon the Condominium as herein provided, then all of the insurance proceeds payable on account of such very substantial damage to said building shall be held by the Insurance Trustee solely for the benefit of Unit Owners (and their mortgagees) of said building. Notwithstanding that the ownership of Common Elements in said building sustaining very substantial damage is partially vested in Unit Owners of other building(s), in the absence of a determination to abandon the Condominium, Unit Owners of the building(s) not sustaining such very substantial damage shall not be entitled to participate or share in any portion of such insurance proceeds, anything in this Declaration to the contrary notwithstanding.

(2) Thereupon, a membership meeting shall be called by the Board of Administration, to be held not later than thirty (30) days after the casualty, to determine the wishes of the membership with reference to the abandonment of the Condominium subject to the following:

(a) If the net insurance proceeds available for restoration and repair, together with funds to be advanced by Unit Owners to replace insurance proceeds paid over to the Institutional First Mortgagees, are sufficient to cover the cost thereof so that no special Assessment is required, then the Condominium Property shall be restored and repaired unless three fourths (3/4) of the total votes of the members of the Condominium shall vote to abandon the Condominium in which case the Condominium Property shall be removed from the provisions of the law, in accordance with the statutes of the State of Florida.

(b) If the net insurance proceeds available for restoration and repair, together with funds to be advanced by Unit Owners to replace insurance proceeds paid over to the Institutional First Mortgagees, are not sufficient to cover the cost thereof so that a special Assessment will be required, as set forth above, then a vote will be taken of the membership of this Condominium to determine whether the Condominium should be abandoned. Said Assessment shall be made and the Condominium Property restored and repaired, unless two thirds (2/3) of the total votes of the members of this Condominium shall vote to abandon, the Association shall immediately levy such special Assessment.

(c) Unless it is determined to abandon the Condominium, the Association shall proceed to negotiate and contract for such repairs and restoration, subject to the provisions set forth above. The special Assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee to the proceeds available for the repair and restoration of the Property. The proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the Property, as hereinabove provided. To the extent that any insurance proceeds are paid over to Institutional First Mortgagees, and in the event it is determined not to abandon

the Condominium and to vote a special Assessment, the Unit Owner shall be obliged to replenish the funds so paid over to his mortgagee, and said Unit Owner shall be liable to the Association for such sum.

(3) In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Board of Administration shall be binding upon all Unit Owners (but not upon Institutional First mortgagees).

14.08 Surplus: It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from the insurance proceeds; and if there is a balance in the funds held by the Insurance Trustee after the payment of all costs of the repair and restoration, such balance may be retained as a reserve, or wholly or partly distributed, at the discretion of the Board of Administration, unless the Institutional First Mortgagee holding and owning the highest dollar indebtedness on Units in the Condominium Property requires distribution. In the event of distribution, then the Insurance Trustee shall distribute such balance to the Beneficial Owners of the fund in the manner elsewhere stated.

14.09 Certificate: The Insurance Trustee may rely upon a certificate of the Association, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate.

14.10 Plans and Specifications: Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Board of Administration, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all Institutional First Mortgagees shall also be required.

14.11 Association's Power to Compromise Claim: The Association is hereby irrevocably appointed agent for each Unit Owner, for the purpose of compromising the settling claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefor, upon the payment of claims.

14.12 Institutional First Mortgagee's Right to Advance Premiums: Should the Association fail to pay insurance premiums required hereunder when due, or should the Association fail to comply with other insurance requirements of the mortgagee(s), said Institutional Mortgagee(s) shall have the right, at its option to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, said Mortgagee shall be subrogated to the Assessment and lien rights of the Association as against the individual Unit Owners for the payment of such item of Common Expense.

14.13 Worker's Compensation policy to meet the requirements of law.

14.14 Such other insurance as the Board of Administration shall determine from time to time be desirable.

14.15 Each individual Unit Owner shall be responsible for purchasing at his own expense, liability insurance to cover accidents occurring within his own Unit, and for purchasing insurance upon his own personal property, and living expense insurance.

14.16 Anything in this Article XIV to the contrary notwithstanding, an Institutional First Mortgagee shall always be entitled to receive, in reduction of its mortgage debt, that portion of insurance proceeds apportioned to its mortgaged Unit in the same share as the share in the Common Elements appurtenant to such Unit, in the event: (a) its mortgage is not in good standing and is in default; or, either (b) the insurance proceeds are not sufficient to complete restoration, reconstruction or repair and the Association has not made additional funds available for such purpose; or (c) it is determined to restore, repair or reconstruct the improvements in a manner or

condition substantially different from that existing prior to the casualty and such Mortgagee has not consented in writing to such change or alteration.

14.17 Notwithstanding anything contained herein to the contrary, in the event a loss occurs which is determined to have been attributable to a particular Unit and such loss causes damage to the Common Elements and/or other Units within the Condominium, then the Unit Owner of the Unit to which the loss is attributable shall be liable for the entire expense of the insured's policy deductible, if any. In the event a loss occurs to the Common Elements and/or more than one (1) Unit within the Condominium and such loss cannot be determined to have emanated from any particular Unit, then all Unit Owners within the Condominium -- in the event the damage is solely to the Common Elements or the owners of the Units so damaged in the event the loss involves more than one (1) Condominium Unit -- shall bear the expense of the insured's policy deductible, if any, on a pro rata basis.

14.18 Condemnation:

(1) Deposit of Awards with Insurance Trustee: The taking of Condominium Property by condemnation shall be deemed to be a casualty and the awards for the taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of failing to so do, the defaulting Unit Owner shall be liable to the Association in the amount of his award or the amount of that award shall be set off against the sums hereafter made payable to that Unit Owner.

(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 condemnation shall be deemed to be a casualty.

(3) Disbursement of Funds: If the Condominium is terminated after condemnation, the proceeds of the awards and special Assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds if the Condominium is terminated after casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the Owners of condemned Units will be made whole 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 after a casualty.

(4) Unit Reduced But Tenatable: If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenatable, the award for taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

(a) Restoration of Unit: The Unit shall be made tenatable. If the cost of the restoration exceeds the amount of the award, the Owner of the Unit shall be obliged to pay such excess amount.

(b) Distribution of Surplus: The balance of the award, 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 mortgagees.

(c) Adjustment of Shares in Common Elements: If the floor area of the Unit is reduced by the taking, the number representing the share in the Common Elements appurtenant to the Unit shall be reduced by the proportion by which the floor are of the Unit is reduced by the taking, and then the share of all Unit Owners in the Common Elements shall be restated as percentages of the total of the numbers representing their original shares as reduced by the taking.

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(5) Unit Made Untenantable: If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be used for the following purpose in the order stated and the following changes shall be effected in the Condominium:

(a) Payment of Award: The award shall be paid first to all Institutional First Mortgagees in an amount sufficient to pay off their mortgages due from those Units which are not tenantable; and then jointly to the Unit Owners of Units not tenantable and their mortgagees in an amount equal to the market value of the Unit immediately prior to the taking and with credit being given for payments previously reserved for Institutional First Mortgagees; and the balance, if any, 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 condition for use by all of the Unit Owners in the manner approved by the Board of Administration; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Elements.

(c) Adjustment of Shares in Common Elements: The shares in the Common Elements appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements among the reduced number of Unit Owners. This shall be done by restating the shares of continuing Unit Owners in the Common Elements as percentages of the total of the numbers representing the shares of these Owners as they exist prior to the adjustment.

(d) Assessments: If the amount of the award for the taking is not sufficient to pay the market value of the condemned Unit to the Owner and to condition the remaining portion of the Unit for use as part of the Common Elements, the additional funds required for those purposes shall be raised by 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 Assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes effected by the taking.

(e) Arbitration: If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the existing rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of special performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Unit Owners in proportion to the shares of the Owners in the Common Elements as they exist prior to the changes effected by the taking.

(6) Taking of Common Elements: Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements useable in the manner approved by the Board of Administration; provided that if the cost of the 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 further improvement of the Common Elements. The balance of the awards for the taking of the Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation. If there is a mortgage of a Unit, the distribution shall be paid jointly to the Owner and the mortgagees of the Unit.

(7) Amendment of Declaration: The changes in Units, in the Common Elements and in the ownership of the Common Elements that are affected by condemnation shall be evidenced by an

amendment of this Declaration that need be approved by two thirds (2/3) of all Unit Owners whose ownership of the Common Elements are affected by such condemnation.

XV. Sale, Lease or Transfer

In order to insure a community of congenial residents and occupants and protect the value of the Units and to further the continuous harmonious development of the Condominium community, the sale, leasing, rental and transfer of Units shall be subject to the following provisions:

15.01 Prior to the sale, lease, conveyance or transfer of any Unit to any other person, the Unit Owner shall notify the Board of Directors of the Association, in writing, of the name and address of the person to whom the proposed sale, lease, conveyance or transfer is to be made and furnish such other information as may be required by the Board of Directors of the Association. Within fifteen (15) days from the date of receipt of said notification, the Board of Directors of the Association shall either approve or disapprove the proposed sale, lease, transfer or conveyance, in writing, and shall notify the Unit Owner of its decision. In the event the Board of Directors shall fail to approve or disapprove the proposed sale, lease, transfer or conveyance within said fifteen (15) days, the failure to act as aforesaid shall be considered an approval of the sale.

An affidavit of the Secretary of the Association stating that the Board of Directors has approved in all respects, on a certain date, the sale, lease or transfer of a Unit to certain persons, shall be conclusive evidence of such fact.

An affidavit of the Secretary of the Association stating that the Board of Directors was given proper notice on a certain date of a proposed sale, lease or transfer and that the Board of Directors disapproved or failed to act on such proposed sale, lease or transfer, and that thereafter all the provisions hereof which constitute conditions precedent to a sale, lease or transfer of a Unit have been complied with, so that the sale, lease or transfer of a particular Unit to particularly named persons does not violate the provisions hereof, shall be conclusive evidence of such facts for the purpose of determining the status of the persons to whom such Unit is sold or transferred.

15.02 The Board of Directors of the Association shall have the right to require that a substantially uniform form of lease be used for the leasing of Units and copies of all lease agreements must be provided by the Unit Owner to the Board of Directors of the Association. In addition, no lease agreement for a Unit may be entered into for less than a thirty (30) day period and no transfer accommodations shall be provided.

15.03 If the proposed purchaser is a corporation or partnership, the approval may be conditioned upon the approval by the Association of all occupants of the Unit.

15.04 In the case of the death of the Owner of a Unit, the surviving spouse, if any, and if no surviving spouse, the other members of such Unit Owner's family residing with the Unit Owner at the time of the Unit Owner's death, may continue to use the Unit and if such surviving spouse or other member or members of the deceased Unit Owner's family shall have succeeded to the ownership of the Unit, the ownership thereof shall be transferred by legal process to such new owner. In the event said decedent shall have conveyed or bequeathed the ownership of decedent's Unit to some designated person or persons other than the surviving spouse or members of the decedent's family, as aforescribed, or if some other person is designated by such descendant's legal representative to receive the ownership of the Unit, or if under the laws of descent and distribution of the State of Florida, the Unit descends to some person or persons other than the Unit Owner's surviving spouse or members of the decedent's family, as aforescribed, the Board of Directors of the Association shall, within thirty (30) days of receipt of proper evidence of designation served upon the President of the Association, or within thirty (30) days from the date the Association is placed on actual notice of said devisee or descendant, express its refusal or

acceptance of the individual or individuals so designated as owners of the Unit. If the Board of Directors of the Association shall consent, ownership of a Unit may be transferred to the person or persons so designated who shall thereupon become the owner of the Unit, subject to the provisions of this Declaration and the By-Laws of the Association. If, however, the Board of Directors of the Association shall refuse to consent, then the Unit Owners shall be given an opportunity, during the thirty (30) days next after such last abovementioned thirty (30) days, to purchase or to furnish a purchaser, for cash, for the said Unit, the purchase price to be determined by an appraiser appointed by a senior judge of the Circuit Court in and for Duval County, Florida, upon ten (10) days' notice, on petition of any party in interest. The expense of appraisal shall be paid by the said designated person or persons or the legal representative of the deceased Unit Owner out of the amount realized from the sale of said Unit. In the event no Unit Owner exercises the privilege of purchasing or furnishing a purchaser of said Unit within such period, and upon such terms, the person or persons so designated may take title to the Unit or such person or persons or the legal representative of the deceased Unit Owner may sell the said Unit, but such sale shall be subject in all other respects to the provisions of this Declaration and the By-Laws of the Association.

15.05 Any sale or lease not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

15.06 There shall be deposited and delivered to the Association a reasonable screening fee not to exceed \$50.00, simultaneously with the giving of notice of the intention to sell for the purpose of defraying the Association's expenses. It is understood that no fee shall be charged in connection with a transfer or approval in excess of the expenditures reasonably required and that no charge shall be made in connection with an extension or renewal of a lease or sublease.

15.07 The foregoing provisions of this Article XV shall not be applicable to transfers of Units by a Unit Owner to any member of the Unit Owner's immediate family (i.e., spouse, children or parents) or, if a Unit is owned by a form of co-tenancy, to transfers of Units from one co-tenant to the other co-tenant. The foregoing provisions of this Article XV shall also not be applicable to transfers of Units from a trustee to its beneficiary or from a beneficiary to his trustee.

15.08 No judicial sale of a Unit or any interest therein shall be valid unless:

- A. The sale is to a purchaser approved by the Association, which approval shall be in recordable form; or
- B. The sale is the result of a public sale with open bidding.

15.09 The Board of Directors of the Association shall have the right to withhold consent and approval of any prospective sale, transfer, conveyance, bequest, devise or otherwise in the event the prospective unit owner, by being such a unit owner, would automatically violate or breach a term, condition, restriction, rule, regulation or covenant under this Declaration or the Exhibits attached thereto.

15.10 The Association and its agents or employees shall not be liable to any person whomsoever for the approving or disapproving of any person pursuant to this Article XV, or for the method or manner of conducting the investigation. The Association and its agents or employees shall not be required to specify any reason for approval or disapproval.

15.11 The foregoing provisions of this Article XV shall not be applicable to transfers or purchases by an Institutional Mortgagee (and/or its assignee or nominee) that acquires its title as a result of owning a mortgage encumbering the Unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor, mortgagor's successors or assigns, or through foreclosure proceedings; nor shall such provisions apply to a transfer or sale by an Institutional Mortgagee (and/or its assignee or nominee) that so acquires its title. The

provisions of this Article XV shall not apply to the Developer or to the assignee or nominee of the Developer and any such person or corporation shall have the right to freely sell, transfer or otherwise deal with the title and possession of a Unit without being obligated to comply with the provisions of this Article XV, and without being obligated to obtain the approval of the Association and without the necessity for payment of any screening fee.

XVI. Liens

16.01 Subsequent to recording the Declaration and while the property remains subject to the Declaration, no liens of any nature are valid against the Condominium Property as a whole, except with the unanimous consent of the Unit Owners. During this period, liens may arise or be created only against individual Condominium Parcels.

16.02 Labor performed or materials furnished to a Unit shall not be the basis for the filing of a lien pursuant to the Mechanics' Lien Law against the Unit or Condominium Parcel of any Unit Owner not expressly consenting to or requesting the labor or materials. Labor performed or materials furnished to the Common Elements are not the basis for a lien on the Common Elements, but if authorized by the Association, the labor or materials are deemed to be performed or furnished with the express consent of each Unit Owner and may be the basis for the filing of a lien against all Condominium Parcels in the proportions for which the Owners are liable for Common Expenses.

16.03 If a lien against two (2) or more Condominium Parcels becomes effective, each Owner may relieve his Condominium Parcel of the lien exercising any of the rights of a property owner under F.S., Chapter 718, or by payment of the proportionate amount attributable to his Condominium Parcel. Upon the payment, the lienor shall release the lien of record for that Condominium Parcel.

XVII. Remedies of the Association

17.01 All rights, remedies or relief of whatsoever nature or kind provided in favor of the Association in this Declaration, Exhibits hereto, Rules and Regulations promulgated by the Board of Administration, and the Condominium Act shall be cumulative and non-exclusive and none shall exclude, jointly or severally, any other right, remedy or relief permitted by law or otherwise available to the Association.

17.02 Failure by the Association to enforce or declare a violation of the terms and conditions of this Declaration, Exhibits hereto, Rules and Regulations promulgated by the Board of Administration, or the Condominium Act upon occurrence thereof or any delay in taking any action in connection therewith shall not be considered a waiver of such violation and any express waiver of such violation (which must be in writing to be effective) shall NOT be considered a continuing waiver and upon any subsequent violation, the Association shall not be deemed to have waived its rights to declare such violation and exercise concurrently or severally any rights, remedies or relief the Association may have.

XVIII. The Association

18.01 The document creating the Association is attached hereto and made a part hereof as Exhibit "F". The operation of the Condominium Property shall be governed by the By-Laws of the Association, a copy of which are attached hereto and made a part hereof as Exhibit "G". The By-Laws may be modified or amended as provided therein. No amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Condominium Parcel. Defects or omissions in the By-Laws shall not affect the validity of the Condominium or the title to Condominium Units.

18.02 The operation of the Condominium shall be by the Association which must be a corporation for profit or a corporation not for profit. The Owners of Units shall be members of the Association. The officers and directors of the Association have a fiduciary relationship to the Unit Owners.

18.03 The Association may contract, sue or be sued with respect to the exercise or non-exercise 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, 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. 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 which may otherwise be available.

18.04 A Unit Owner does not have any authority to act for the Association by reason of being a Unit Owner.

18.05 The powers and duties of the Association include those set forth in this section and those set forth in the Declaration and By-Laws if not inconsistent with this Declaration and the law.

18.06 The Association has the irrevocable right to access to each Unit during reasonable hours when necessary for the maintenance, repair or replacement of any Common Elements, or of making emergency repairs necessary to prevent damage to the Common Elements or to another Unit or Units.

18.07 The Association has the power to make and collect Assessments, and to lease, maintain, repair and replace the Common Elements.

18.08 The Association shall maintain accounting records for the Condominium according to good accounting practices. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times.

18.09 The Association has the power to purchase Units in the Condominium and to acquire and hold, lease mortgage and convey them.

18.10 The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association.

18.11 The Association has the authority, without the joinder of any Unit Owner, to modify or move any easement for ingress or egress or for the purposes of utilities if the easement constitutes part of or crosses the Condominium Property. This subsection does not authorize the Association to modify or move any easement created in whole or in part for the use or benefit of anyone, other than the Unit Owners, without their consent or approval as required by law or the approval as required by law or the instrument creating the easement.

18.12 Maintenance and repair of the Common Elements, except as otherwise provided herein, is the responsibility of the Association.

18.13 The Association may acquire, convey, lease or mortgage Association real property upon the approval of two-thirds (2/3) of the total voting interests in the Association.

18.14 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. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements or other activities done by or on behalf of any Unit Owners regardless of whether or not same shall have been approved by the Association. The Association also shall not be liable to any Unit Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that the Association did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where: (i) such insurance is not required hereby; or (ii) the Association could not obtain such insurance at reasonable costs or upon reasonable terms.

XIX. Membership in Association

19.01 The Association was created to perform the acts and duties of the management of the Units and Common Elements defined and described in this Declaration, and to levy and enforce collection of Assessments necessary to perform said acts and duties.

19.02 All Unit Owners shall automatically be members of the Association, and said membership shall terminate when they no longer own said Units.

XX. Common Expenses and Common Surplus

20.01 Common Expenses include the expenses of the operation, maintenance, repair or replacement of the Common Elements, utilities for the entire Condominium, costs of carrying out the powers and duties of the Association and any other expense designated as Common Expenses by this Declaration, the documents creating the Condominium, or the By-Laws.

20.02 Funds for the payment of Common Expenses shall be assessed against Unit Owners in the proportions or percentages provided in the Declaration. A Unit Owner's share of Common Expenses shall be in the same proportion as his ownership interest in the Common Elements.

20.03 Common Surplus is owned by Unit Owners in the same shares as their ownership interest in the Common Elements.

20.04 The cost of a master antenna television system or duly franchised cable television service supplied pursuant to a bulk contract shall be deemed a Common Expense in accordance with Section 718.115 of the Florida Statutes.

20.05 The cost of monitoring the fire alarms installed on the Condominium Property and in each Unit shall be a Common Expense paid by the Association.

XXI. Assessments; Liabilities; Lien and Priority; Interest Collection

21.01 A Unit Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the Unit Owner. In a conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for his share of the Common Expenses up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee.

21.02 The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by abandonment of the Unit for which the Assessments are made.

21.03 Assessments and installments on them not paid when due bear interest from the date when due until paid at the maximum interest rate permitted by law, and at the sole discretion of the Board of Administration, a late charge not to exceed the greater of Twenty Five Dollars (\$25.00) or five (5%) percent of each installment of the Assessment for each delinquent installment that the payment is late shall be due and payable.

21.04 (1) The Association shall have a lien on each Condominium Parcel for unpaid Assessments, with interest and for reasonable attorneys' fees incurred by the Association incident to the collection of the Assessment or enforcement of the lien. Except as otherwise provided herein and in Chapter 718, Florida Statutes, the lien is effective from and shall relate back to the recording of the original Declaration of Condominium, or, in the case of a lien on a Condominium Parcel located in a phase condominium, the claim of lien shall relate back to, to the last to occur of the recording of the original Declaration or Amendment thereto creating the Condominium Parcel. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the public records of the county in which the Condominium Parcel is located.

(2) In the event a Unit Owner is thirty (30) days or more late in the payment of any Assessment due to the Association from the Unit Owner of whatsoever nature or kind, the Board of Administration in its sole discretion may accelerate the subsequent monthly installment and other known Assessments for the remainder of the year, and such Assessments may be included in the liens set forth herein. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Notice of any claim of lien filed by the Association or its authorized agent, if any, shall contain the full amount due the Association (whether upon an accelerated basis or not) at the time of filing such claim of lien.

(3) Subject to the provisions of Article 21.06 hereof, the lien for Assessment shall be subordinate and inferior to the lien of any Institutional First Mortgagee recorded prior to the recording of the claim of lien of the Association regardless of when said Assessment was due, but shall not be subordinate and inferior to the lien of any other mortgage or lien of whatsoever nature or kind.

21.05 (1) The Association may bring an action in its name to foreclose a lien for Assessments in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid Assessments without waiving any claim of lien. The remedies provided herein shall be non-exclusive and cumulative and shall not exclude any other remedy available to the Association by this Declaration, law or otherwise.

(2) 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.

(3) The Association has the power to purchase the Condominium Parcel at the foreclosure sale and to hold, lease, mortgage and convey it.

21.06 The liability of a first mortgagee or its successor who acquires title to a Unit by foreclosure or by deed in lieu of foreclosure for unpaid assessments that become due prior to the mortgagee's acquisition of title is limited to the lesser of: (1) the unit's unpaid common expenses and regular periodic assessments which accrued or came due during the twelve (12) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or (2) one (1%) percent of the original mortgage debt. The provisions of this subparagraph (2) apply only if the first 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.

21.07 Any Unit Owner has the right to require from the Association a certificate showing the amount of unpaid Assessments against him with respect to his Condominium Parcel. The holder of a mortgage or other lien of record has the same right as to any Condominium Parcel upon which he has a lien.

21.08 No Unit Owner may be excused from the payment of his share of the Common Expenses of a Condominium unless all Unit Owners are likewise proportionately excused from payment, except as provided in Article 21.06 and except that the Developer may be excused from the payment of its share of the Common Expenses if a guarantee is in effect.

21.09 Assessments shall include, but not be limited to, those charges against Unit Owners provided in Article IX of the By-Laws, as well as this Declaration, Exhibits hereto and the Condominium Act.

XXII. Obligations and Restrictions of Members and Owners

In addition to the other obligations and duties heretofore set forth in this Declaration, every Unit Owner shall:

22.01 Promptly pay the Assessments levied by the Association.

22.02 Maintain in a clean and sanitary manner and repair his Unit and all interior surfaces within or surrounding his apartment Unit (such as the surfaces of the walls, ceilings, floors, etc.) whether or not a part of the Unit or Common Elements which are a part of the Unit, and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit.

22.03 Not use or permit the use of his Unit except for permanent residential use consistent with the laws of government authorities having jurisdiction over the property.

22.04 Not permit or suffer anything to be done or kept in his Unit which would increase the insurance rates on his Unit or the Common Elements, or which will obstruct or interfere with the rights of other members or annoy them with unreasonable notices or otherwise; nor shall a member commit or permit any nuisance, immoral or illegal act in his Unit or on the Common Elements.

22.05 Conform to and abide by the By-Laws and uniform rules and regulations in regard to the use of the Unit and Common Elements which may be adopted in writing from time to time by the Association, and to see that all persons using the Owner's property, by, through or under him do likewise.

22.06 Make no alteration, decoration, repair, replacement or change of the Common Elements or to any outside or exterior portion of the building without the prior written consent of the Association..

22.07 Allow the Board of Administration or the authorized agents of the Association to enter any Unit for the purpose of 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.

22.08 Show no sign, advertisement or notice of any type on the Common Elements or his Unit, and erect no exterior antennas and aerials, except as provided in uniform regulations promulgated by the Association.

22.09 Children shall be permitted to be occupants of Units, but are restricted in certain activities. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Condominium Property and including full compliance by them with the Rules and Regulations and all other rules and regulations of the Association. Loud noises will not be tolerated. All children under twelve (12) years of age must be accompanied by a responsible adult when entering and/or utilizing the recreational facilities.

22.10 Make no repairs to any plumbing or electrical wiring within a Unit, except by plumbers or electricians authorized to do such work by the management of the Association. Plumbing and electrical repairs within a Unit shall be paid for and be the financial obligation of the Owner of the Unit. The Association shall pay for and be responsible for plumbing repairs and electrical wiring within the Common Elements.

22.11 With respect to repairs or renovations within a Unit that are otherwise permitted hereunder, if a permit is required, the Unit Owner must obtain the permit and provide a copy of the permit to the Association prior to commencing any work. The Unit Owner must also provide proof of insurance to the Association naming the Association as an additional insured in such amount as the Association may reasonably require.

22.12 Return the "Condominium Parcel" for the purpose of ad valorem taxes to the respective taxing authorities having jurisdiction over them for separate Assessment against his Condominium Parcel. For the purposes of ad valorem taxation, the interest of the Owner of a "Condominium Parcel" in his "Condominium Unit" and in the "Common Elements" shall be considered as a Unit. The value of said Unit shall be equal to the proportion or percentage of the value of the entire Condominium, including land and improvements, as has been assigned to said Unit in Exhibit "B" of this Declaration. The total of all said proportions or percentages equals the value of all of the land and improvements thereon.

22.13 Not replace and/or remove screens, жалousies or other enclosures on balconies, patios or terraces or on other parts of the building, even though such areas may be Limited Common Elements, except with prior written approval of the Board of Administration.

22.14 No balconies, patios or terraces shall be extended, enclosed or decorate in any way whatsoever by a Unit Owner without the prior written consent of the Board of Administration.

22.15 Not divide or subdivide a Unit for purpose of sale or lease. Additionally, a Unit may not be combined with a contiguous Unit and occupied as one dwelling Unit.

22.16 Not hang any laundry, garments or other objects which are visible from outside of the Unit, except for draperies, blinds, shades or other suitable window coverings. Decorative window coverings shall not include any type of reflective film on any glass windows or doors. Notwithstanding the foregoing, any Unit Owner may display one portable, removable United States flag in a respectful way, and on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard.

22.17 Not allow any rubbish, refuse, garbage or trash to accumulate in places other than the receptacles provided therefor, so that each Unit, the Common Elements and Limited Common Elements shall at all times remain in a clean and sanitary condition.

22.18 Not make any use of a Unit that violates any laws, ordinances and regulations of any governmental body having jurisdiction thereof.

22.19 Use only the parking space or spaces, if any, specifically designated for use by Unit Owners.

22.20 Only dogs and cats may be maintained on the Condominium Property, and no Unit Owner may maintain more than two (2) pets at any one time. The Board of Directors has the right, from time to time, to adopt rules and regulations governing pets within the Condominium. Such rules shall be based upon the Board's determination of whether pets create a nuisance on and about the Condominium Property.

22.21 No recreational vehicles, campers, boats, trailers, nonfunctioning vehicles, commercial vehicles or any vehicle with commercial markings will be allowed in the parking area, if any, and/or on the Condominium Property.

22.22 Each Owner agrees that sound transmission in a multi-story building, such as the Condominium, is very difficult to control and that noises from adjoining or nearby Units and or mechanical equipment can often be heard in another Unit. The Developer does not make any representation or warranty as to the level of sound transmission between and among Units and the other portions of the Condominium Property, and each Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from sound transmission. The Board of Directors has the authority to adopt rules and regulations regarding sound insulation within the Units, provided, however, such rules shall not apply to any Units owned by the Developer or to any modifications to Units made by the Developer.

22.23 The Board of Directors shall, from time to time, establish hurricane shutter specifications which comply with the applicable building code and establish permitted colors, styles and materials for hurricane shutters. The Association shall approve the installation or replacement of hurricane shutters conforming with the Board's specifications. The Board may, with the approval of a majority of voting interests in the Condominium, install hurricane shutters and may (without requiring approval of the membership) maintain, repair or replace such approved shutters, whether on or within the Common Elements, the Limited Common Elements, Units or Condominium Property; provided, however, that if laminated glass, in accordance with all applicable building codes and standards, architecturally designed to serve as hurricane protection, is installed, the Board may not install hurricane shutters in accordance with this provision. All shutters shall remain open unless and until a storm watch or storm warning is announced by the National Weather Center or other recognized weather forecaster. A Unit Owner or occupant who plans to be absent during all or any portion of the hurricane season must prepare his or her Unit prior to his or her departure by designating a responsible firm or individual to care for his or her Unit should a hurricane threaten the Unit or should the Unit suffer hurricane damage and furnish the Association with the name(s) of such firm or individual. Such firm or individual shall be subject to the approval of the Association.

To the extent that the Association determines to provide hurricane shutters for any portion of the Condominium Property, the Association shall be solely responsible for the installation of any hurricane shutters from time to time and the costs associated therewith shall be deemed a part of the Common Expenses of the Condominium that are included in the assessments payable by Unit Owners. The obligations of the Association assumed hereby shall include, without limitation, development of appropriate plans to allow for the timely installation of the shutters and all obligations with respect to the repair, replacement and/or upgrade of the shutters. Developer shall have no obligations with respect to the installation of the shutters and/or for the repair, replacement and/or upgrade of the shutters.

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22.24 No Owner shall make any additions, alterations or improvements to the Life Safety Systems and/or to any other portion of the Condominium Property which may alter or impair the Life Safety Systems or access to the Life Safety Systems, without first receiving the prior written approval of the Board. In that regard, no lock, chain or other device or combination thereof shall be installed or maintained at any time on or in connection with any door on which panic hardware or fire exit hardware is required. Stairwell identification and emergency signage shall not be altered or removed whatsoever by any Unit Owner. No barrier, including, but not limited to, personalty, shall impede the free movement of ingress and egress to and from all emergency ingress and egress passageways.

Each Unit Owner, by acceptance of a deed or other conveyance of a Unit, understands and agrees that applicable governmental authority may require that within a time certain all buildings (including the Condominium), regardless of age, will be required to install a sprinkler and other Life Safety Systems. The cost of any such installation, and subsequent maintenance, repair, replacement and operation of same (including without limitation, the costs of utilities serving same) shall be deemed Common Expenses. Further, an easement is hereby reserved throughout the Condominium Property (and each Unit) for the installation, maintenance, repair, replacement and operation of any such systems. The Association may, but shall not be obligated to, establish a reserve to cover such future costs.

XXIII. Transfer of Association Control

23.01 In accordance with Florida law, when Unit Owners, other than the Developer, own fifteen (15%) percent or more of the Units in this Condominium 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 (1/3) of the members of the Board of Administration of the Association. Unit Owners, other than the Developer, are entitled to elect not less than a majority of the members of the Board of Administration of the Association.

(1) Three (3) years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(2) Three (3) months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(3) When all the Units that will be operated ultimately by the Association have been completed, some of these have been conveyed to purchasers; and none of the others are being offered for sale by Developer in the ordinary course of business;

(4) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by Developer in the ordinary course of business;

(5) When the Developer files a petition seeking protection in bankruptcy;

(6) When a receiver for the Developer is appointed by a circuit court and is not discharged within thirty (30) days after such appointment;

(7) Seven (7) years after the recordation of the Declaration of Condominium creating the initial phase; or

(8) One hundred twenty (120) days after the date by which seventy-five (75%) percent of the units have been conveyed to unit purchasers; whichever occurs first.

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Developer is entitled to elect at least one member of the Board of Administration of an association as long as Developer holds for sale in the ordinary course of business at least five (5%) percent of the units in a condominium operated by the Association. Following the time Developer relinquishes control of the Association, 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.

23.02 If the Developer holds Units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

- (1) Assessment of the Developer as a Unit Owner for capital improvements.
- (2) Any action by the Association that would be detrimental to the sale of Units by the Developer; provided, however, that an increase in Assessments for Common Expenses without discrimination against the Developer shall not be deemed to be detrimental to the sale of Units.

XXIV. Rights Reserved Unto Institutional First Mortgagees

So long as any Institutional First Mortgagee or Institutional First Mortgagees shall hold any mortgage upon any Condominium Unit or Condominium Units or shall be the Owner of any Condominium Unit or Condominium Units and complies with the provisions of Section 24.07 hereof, such Institutional First Mortgagee or Institutional First Mortgagees shall have the following rights, to-wit:

24.01 To be entitled to be furnished with at least one copy of the annual financial statement and report of the Association prepared by a certified public accountant designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such financial statements and report to be furnished, upon written demand, within ninety (90) days following the end of each calendar year.

24.02 To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration or the Articles of Incorporation and By-Laws of the Association, which notice shall state the nature of the amendment being proposed, including, but not limited to, any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

24.03 To be given notice of default by any member owning any Unit encumbered by a mortgage held by an Institutional First Mortgagee or Institutional First Mortgagees, such notice to be given in writing and sent to the principal office of such Institutional First Mortgagee or Institutional First Mortgagees, or to the place which it or they may designate in writing to the Association. Such notice of default shall include any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage.

24.04 To be given notice of any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage.

24.05 To be given notice of a lapse, cancellation or material modification of any insurance policy maintained by the Owners' Association.

24.06 To cause the Association to create and maintain an escrow account for the purpose of assuring the availability of funds with which to pay premium or premiums due from time to time on insurance policy or policies which the Association is required in keep in existence, it being understood that the Association shall

deposit in an escrow depository satisfactory to the Institutional First Mortgagee having the highest dollar indebtedness on Units in the Condominium Property a monthly sum equal to one twelfth (1/12th) of the annual amount of such insurance expense and to contribute such other sums as may be required therefor to the end that there shall be on deposit in said escrow account at least one (1) month prior to the due date for payment of such premium or premiums a sum which will be sufficient to make full payment therefor. The Insurance Trustee designated by the Association shall be the escrow depository for purposes hereof or the Board of Administration may designate any Institutional First Mortgagee interested in this Condominium to act in such capacity.

24.07 Whenever any Institutional First Mortgagee or Institutional First Mortgagees desire(s) the provisions of this Article to be applicable unto them, they shall serve written notice of such fact upon the Association by registered mail or certified mail addressed to the Association and sent to its address stated herein with a copy by registered or certified mail addressed to the Institutional First Mortgagee having the highest dollar indebtedness on Units in the Condominium Property, which written notices shall identify the Condominium Parcel or Condominium Parcels upon which any such Institutional First Mortgagees hold any mortgage or mortgages or identifying any Condominium Parcel owned by it or them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional First Mortgagee or Institutional First Mortgagees.

24.08 Premiums for insurance required to be placed by the Association shall be a Common Expense and shall be paid by the Association. Should the Association fail to pay such premiums when due, or should the Association fail to comply with other insurance requirements imposed by the Institutional First Mortgagee owning and holding the total highest dollar indebtedness against the Condominium Parcels in the Condominium Property, then said Institutional First Mortgagee shall have the right at its option to order and advance such sums as are required to maintain or procure such insurance, and to the extent of the monies so advanced, plus interest thereon at the highest legal rate, said mortgagee shall have a right of action against the Association and the individual Unit Owners for the repayment of any monies so advanced.

24.09 If two (2) or more Institutional First Mortgagees hold any mortgage or mortgagee upon any Condominium Parcel or Condominium Parcels and/or shall be the Owner of any Condominium Parcel or Condominium Parcels, the exercise of the rights above described or manner of exercising said rights shall vest in the Institutional First Mortgagee holding the total highest dollar indebtedness against condominium Parcels in the Condominium Property, and the decision of such Institutional First Mortgagee shall be controlling.

24.10 FHLMC Guidelines: Notwithstanding anything contained in this Declaration to the contrary, it is the intent of Developer to comply with the requirements of the Federal Home Loans Mortgage Corporation (FHLMC) established as of the date hereof. Specifically, the following provisions are hereby made a part of this Declaration:

"Except as provided by statute, in the case of condemnation or substantial loss to the Units and/or Common Elements of the Condominium project, unless at least two thirds (2/3) of the first mortgagees (based upon one (1) vote for each first mortgage owned) or Owners (other than the Developer) of the individual Condominium Units have given their prior approval, the Association shall not be entitled to:

"(a) by act or omission, seek to abandon or terminate the Condominium project;

"(b) change the pro rata interest or obligations of any individual Condominium Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards,

or (ii) determining the pro rate share of ownership of each Condominium Unit in the Common Elements;

"(c) partition or subdivide any Condominium Unit;

"(d) by act or mission, seeking 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 Condominium project shall not be deemed a transfer within the meaning of this clause);

"(e) use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than repair, replacement or reconstruction of such Condominium property."

XXV. Developer's Tenants

It is understood and agreed by all parties hereto and all Unit Owners that certain units may be occupied by tenants of the Developer under lease agreements, or month to month tenancies, or other types of tenancies heretofore or hereinafter consummated and agreed upon. Such tenants of Developer shall have the full right and authority to continue to occupy said premises in accordance with their lease agreements or other types of tenancies and to use and enjoy on a nonexclusive basis all Common Elements of the Condominium and the recreational facilities without any cost or expense. The Developer shall be responsible for assessments against these Units as provided in the Declaration.

XXVI. Warranties

To the maximum extent permitted by law, the Developer hereby specifically disclaims any and all warranties whether expressed or implied. Developer further disclaims any intent to have made any warranty or representation in connection with the Condominium documents and disclosure materials except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made herein. Any estimates of Common Expenses, taxes or other charges are believed to be accurate, but no warranty or guaranty is made or intended, nor may one be relied upon except where same is specifically warranted or guaranteed.

For as long as Developer remains liable under any warranty, whether statutory, express or implied, for acts or omissions of Developer in the development, construction, sale, resale, leasing, financing and marketing of the Condominium, then Developer and its and their contractors, agents and designees shall have the right, in Developer's sole discretion and from time to time and without requiring prior approval of the Association and/or any Unit Owner and without requiring any consideration to be paid by the Developer to the Unit Owners and/or the Association (provided, however, that absent an emergency situation, the Developer shall provide reasonable advance notice), to enter the Condominium Property, including the Units, Common Elements and Limited Common Elements, 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. The failure of the Association or any Unit Owner to grant, or to interfere with, such access shall alleviate the Developer from having to fulfill its warranty obligations, and the costs, expenses, liabilities or damages arising out of any unfulfilled Developer warranty will be the sole obligation and liability of the person or entity who or which impedes the Developer in any of Developer's activities described herein. **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 herein.**

Further, each Owner, by acceptance of a deed or other conveyance of a Unit, understands and agrees that the quoted square footage of the Unit may vary but not by more than a nominal amount. Additionally, as a result of in the field construction, other permitted changes to the Unit, and settling and shifting of improvements, actual square footage of a Unit may also be affected. By accepting title to a Unit, the applicable Owner(s) shall be deemed to have conclusively agreed to accept the size and dimensions of the Unit, regardless of any variances in the square footage from that which may have been disclosed at any time prior to closing, whether included as part of Developer's promotional materials or otherwise. Without limiting the generality hereof, Developer does not make any representation or warranty as to the actual size, dimensions (including calling heights) or square footage of any Unit, and each Owner shall be deemed to have fully waived and released any such warranty and claims for losses or damages resulting from any variances between any represented or otherwise disclosed square footage and the actual square footage of the Unit.

XXVII. Developer's Rights, Sales Activity and Maintenance

Until the Developer has completed and sold all the Units of the Condominium, neither the Unit Owners nor the Association nor their use of the Condominium shall interfere with the completion of the contemplated improvements and the sale of Units. The Developer (or its duly authorized agents or assigns) may make such use of the unsold Units and the Common Elements as may facilitate such completion and sale, including, but not limited to, the maintenance of sales offices for the showing of the property and display of signs, billboards, placards and visual promotional materials. It is specifically understood that the Developer has the right and authority to use the clubhouse, offices and maintenance facilities and all of the Common Elements of the Condominium for the purpose of sales and administrative office for so long as Developer has not sold all Units in the Condominium. The Developer may use unsold Units as model units or as sales offices for display purposes to prospective Condominium purchasers and the Common Elements (including, but not limited to unassigned parking spaces). The sales office personal property, model furnishings, signs and all items pertaining to sales shall not be considered Common Elements and shall remain the property of the Developer. It should be understood that prior to the conversion of the improvements to a Condominium that the operation of the Condominium was an apartment operation and, accordingly, subject to the provisions of Article XV of this Declaration and other applicable rules and regulations regarding leases, the Developer may continue such apartment rentals as its discretion for any unsold Units and Developer, until all Units are sold, shall have the full right and authority to use the Common Elements and the areas aforescribed in furtherance of such apartment rentals as the Developer may so desire. The Developer may elect, at any time, in its sole discretion, to give any Unit to the Association, and the Association must accept same.

The Developer (including its designees, contractors, successors and assigns) shall have the right, in its (and their) sole discretion from time to time, to enter the Condominium Property and take all other action necessary or convenient for the purpose of undertaking and completing any renovations thereof and/or any portion of the Condominium Property, or any part thereof, or any improvements or Units located or to be located thereon, and/or any improvements located adjacent thereto and for repair, replacement and maintenance for warranty purposes or where the Developer, in its sole discretion, determines that it is required or desires to do so.

XXVIII. Reservation of Name

The Developer reserves the right to use the name "ACQUILUS III, A CONDOMINIUM" in any fashion, including, but not limited to, other condominium or residential development. This paragraph cannot be amended without the consent of the Developer.

XXIX. Miscellaneous

29.01 If any provisions of this Declaration, or of the By-Laws attached hereto, or of the Condominium Act, or any section, sentence, clause, phrase or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of this Declaration, the By-Laws attached or the Condominium Act, and of the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

29.02 Whenever notices are required to be sent hereunder, the same shall be sent to the Unit Owners by regular mail, at their place of residence in the Condominium building, unless the Unit Owner has, by written notice, duly received for, specified a different address. Notices to the Association shall be delivered by regular mail to the resident agent. All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice.

29.03 Each Unit Owner and the Association shall be governed by and shall comply with the Condominium Act and this Declaration and By-Laws as they may exist from time to time. Failure to do so shall entitle the Association or any other Unit Owner to recover sums due for damages or injunctive relief or both. Such actions may be maintained by or against a Unit Owner or the Association or in a proper case by or against one or more Unit Owners and the prevailing party shall be entitled to recover reasonable attorneys' fees. Such relief shall not be exclusive of other remedies provided by law.

29.04 Whenever the context so requires, the use of any gender shall be deemed to include all genders and the use of the plural shall include the singular and the singular shall include the plural. The provisions of this Declaration shall be liberally construed to effectuate its purposes of creating a uniform plan for the operation of the Condominium in accordance with the laws made and provided for the same. As used herein, the term "member" means and refers to any person, natural or corporate, who is a Unit Owner.

29.05 No Unit shall be occupied by more than the legal occupancy limit for that Unit.

29.06 A tenant of any Unit Owner or of the Developer shall have the same right to use the recreational facilities as the Owner of said Unit has. In no event shall any individual or family, other than the individual or family residing in the Unit and their guests be entitled to use said recreational facilities.

29.07 This Declaration and all Exhibits hereto shall be binding upon and inure to the benefit of each Unit Owner, their heirs, personal representatives, successors, assigns and grantees any and all persons claiming by, through or under any Unit Owners.

29.08 The heading and captions used herein are for reference purposes only, are inserted solely as a matter of convenience, and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or Exhibits hereto.

IN WITNESS WHEREOF, the Developer has caused these presents to be signed in its name and on its behalf by the appropriate individuals on this 19th day of January, 2011.

THIS INSTRUMENT PREPARED BY:

LEONARD LUBART, ESQ.
GREENSPOON MARDER, P.A.
Trade Centre South, Suite 700
100 West Cypress Creek Road
Fort Lauderdale, Florida 33309

CONSENT OF MORTGAGEE

THIS CONSENT is given this 20 day of January, 2011, on behalf of NLP FINANCE, LLC, a Delaware limited liability company, being the owner and holder of that certain Mortgage recorded in Official Records Book 15424, at Page 1191, of the Public Records of Duval County, Florida, as amended and assigned from time to time (the "Mortgage").

WHEREAS, Mortgagor has requested Mortgagee to consent to the recording of that certain Declaration of Condominium for ACQUILUS III, A CONDOMINIUM (the "Declaration") and to subordinate the lien and effect of the Mortgage to the Declaration.

NOW, THEREFORE, Mortgagee consents to the recording of the Declaration, to which this Consent is attached, or, if this Consent is recorded separately, which has been recorded in Official Records Book N/A, at Page N/A, of the Public Records of Duval County, Florida, as amended, and agrees that the lien and effect of the Mortgage shall be subject and subordinate to the terms of the Declaration.

Mortgagee makes no warranty or any representation of any kind or nature concerning the Declaration, any of its terms or provisions, or the legal sufficiency thereof, and disavows any such warranty or representation as well as any participation in the development of ACQUILUS III, A CONDOMINIUM, and does not assume and shall not be responsible for any of the obligations or liabilities of the Developer contained in the Declaration or other documents issued in connection with the promotion of ACQUILUS III, A CONDOMINIUM. None of the representations contained in the Declaration or other documents shall be deemed to have been made by Mortgagee, nor shall they be construed to create any obligation on Mortgagee to any person relying thereon. Nothing contained herein shall affect or impair the rights and remedies of Mortgagee as set forth in the Mortgage or in the Declaration.

Made as of the day and year first above written.

EXHIBIT "A"

ACQUILUS III, A CONDOMINIUM

LEGAL DESCRIPTION

**EXHIBIT A
TO
DECLARATION OF CONDOMINIUM
-OF-
ACQUILUS III, A CONDOMINIUM**

The legal description of ACQUILUS III, a Condominium, is as follows:

Lots 3 and 4, Block 81, PABLO BEACH NORTH, according to plat thereof recorded in Plat book 3, Page 28 of the current public records of Duval County, Florida and a portion of land lying Easterly thereof recorded in Official Records Book 3223, Page 882, being more particularly described as follows: Beginning at the Southwest corner of Lot 4, Block 81; thence Northerly along the Easterly right-of-way line of First Street, a distance of 131.00 feet to an intersection with the Northerly line of Lot 3; thence Easterly along last said line and an Easterly prolongation thereof, a distance of 220.39 feet to an intersection with the Westerly face of a concrete bulkhead; thence Southerly along the Westerly face of said concrete bulkhead, a distance of 131.05 feet to an intersection with the Northerly right-of-way of Seventh Avenue North; thence Westerly along last said line a distance of 217.68 feet to the point of beginning.

EXHIBIT "B"

ACQUILUS III, A CONDOMINIUM

FRACTIONAL SHARE OF COMMON ELEMENTS, COMMON EXPENSES
AND COMMON SURPLUS

EXHIBIT B
TO DECLARATION OF CONDOMINIUM
-OF-
ACQUILUS III, A CONDOMINIUM

FRACTIONAL SHARE OF COMMON ELEMENTS,
COMMON EXPENSES, AND COMMON SURPLUS

The Common Elements, Common Expenses and Common Surplus are apportioned among individual Unit Owners in fractional shares, the numerator of which will be the number "1" and the denominator of which shall be the total of all Units subject to the Declaration.

The Fractional Shares of Common Elements, Common Expenses and Common Surplus for the Condominium are as follows:

FRACTIONAL SHARES

Unit Type	Unit Number(s)	# of Units	Square Feet/Unit	Fractional Share Per Unit
A Northside	201, 301, 401, 501, 601, 701, 801	7	See Floor Plan.	1/14
B Southside	202, 302, 402, 502, 602, 702, 802	7	See Floor Plan.	1/14

EXHIBIT "C"

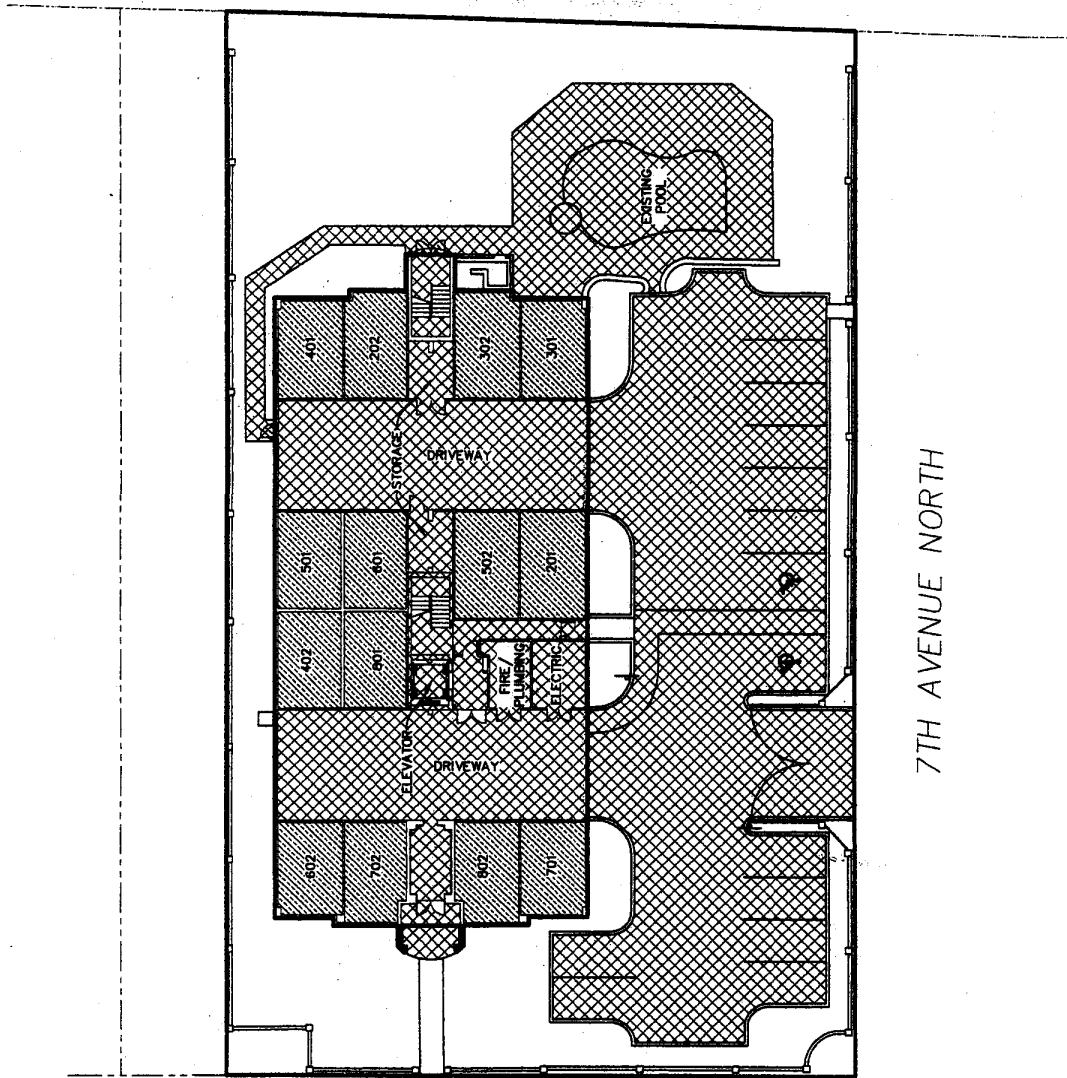
ACQUILUS III, A CONDOMINIUM

PLOT PLAN, SURVEY AND AFFIDAVIT OF SURVEYOR
AS TO SUBSTANTIAL COMPLETION

III ACQUILLUS

Oceanfront Luxury Condominiums
GARAGE FLOOR-PLAN
PARKING LOT
POOL AREA

ATLANTIC OCEAN



1ST STREET NORTH



= COMMON ELEMENTS



= LIMITED COMMON ELEMENTS

(The garage spaces shown hereon are Limited Common Elements appurtenant to the Unit designated hereon)

EXHIBIT "C"

SURVEYOR'S CERTIFICATE

ACQUILUS III, A CONDOMINIUM

I have examined the Declaration of Condominium for Aquilus III, a Condominium (the "Declaration") dated the 24th day of November, 2010, to which this Certificate is attached as Exhibit "C", and do hereby certify that the construction of the improvements described in the Declaration is substantially complete so that the provisions of the Declaration and exhibits attached thereto describing the condominium property is an accurate representation of the location and dimensions of the improvements and so that the identification, location and dimensions of the common elements and of each unit can be determined from these materials.

Richard A. Miller
Richard A. Miller
Registered Land Surveyor No. 3848
State of Florida

(SEAL)

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing Surveyor's Certificate was acknowledged before me this 1st day of December, 2010, by Richard A. Miller who is personally known to me or has produced _____ as identification.

Susan M. Hyde
Print Name: SUSAN M. HYDE
Notary Public, State and County Aforesaid
My Commission Expires: 3-17-12
Commission No.: DD 760922

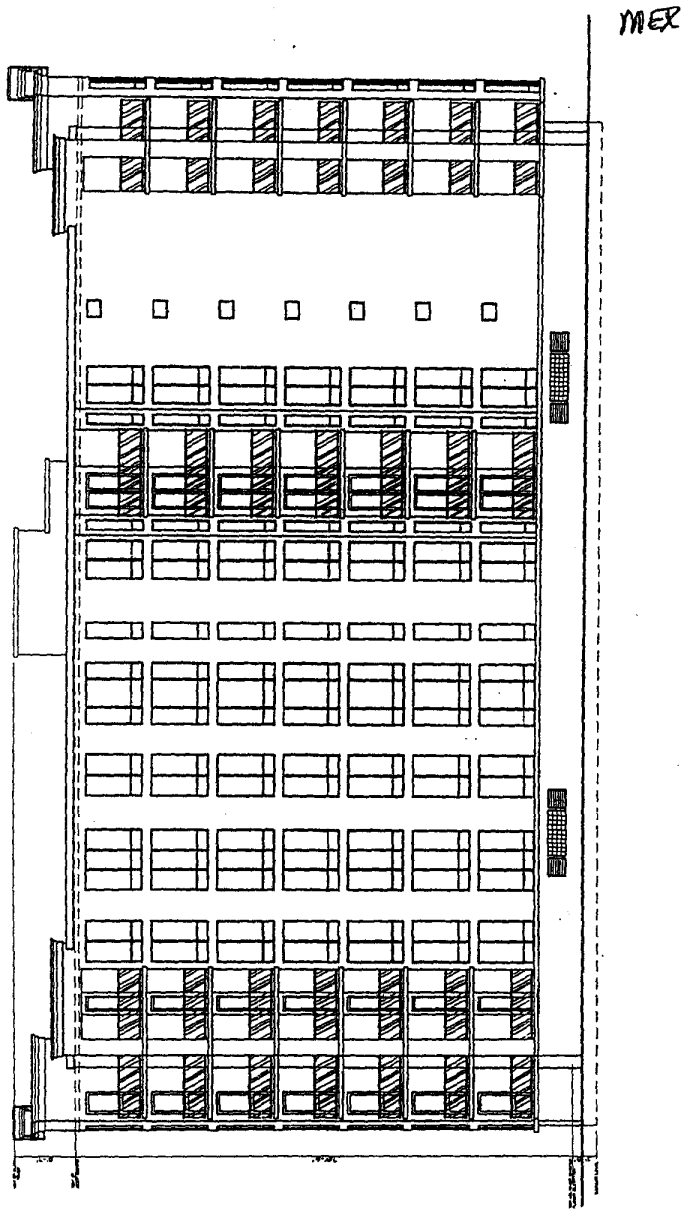


SUSAN M. HYDE
MY COMMISSION # DD 760922
EXPIRES: March 17, 2012
Bonded Thru Budget Notary Services

EXHIBIT "D"

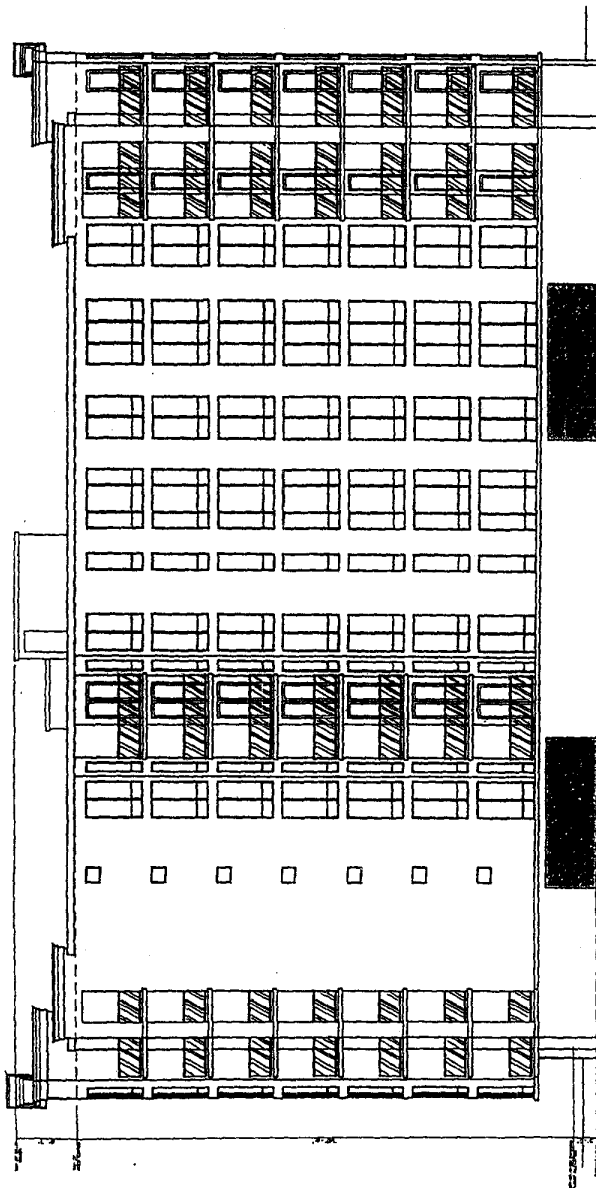
ACQUILUS III, A CONDOMINIUM

GRAPHIC DEPICTIONS

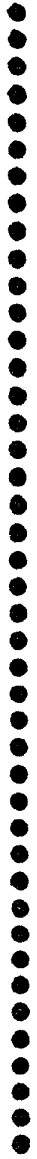


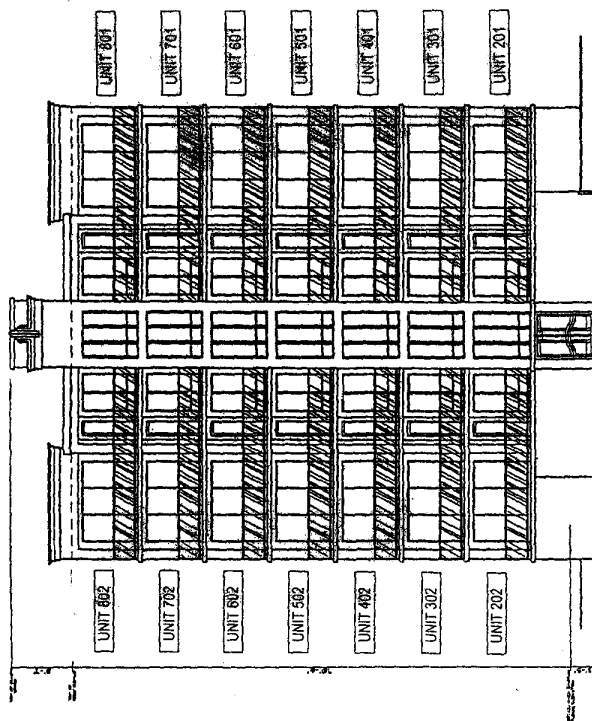
NORTH ELEVATION

MEX



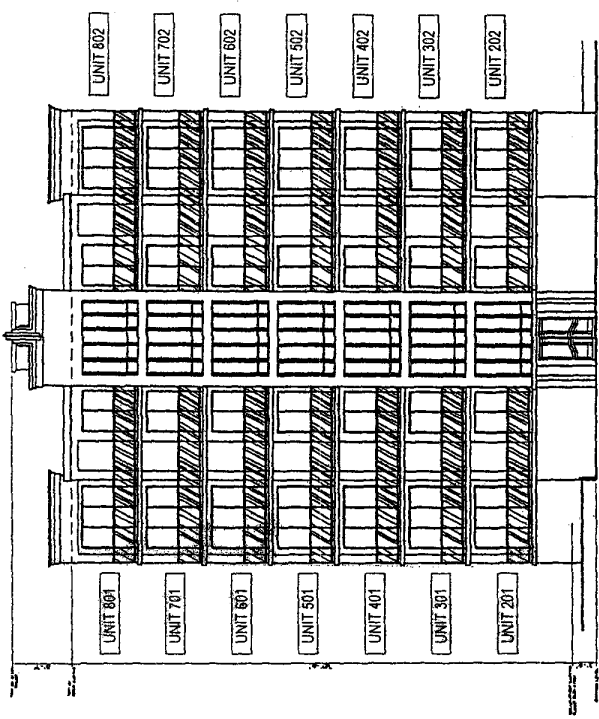
SOUTH ELEVATION





MEX

EAST ELEVATION



MEX

WEST ELEVATION

EXHIBIT "E"

ACQUILUS III, A CONDOMINIUM

FLOOR PLANS

III ACQUILUS

Oceanfront Luxury Condominiums

FLOOR PLAN Living Level Floor 2

UNIT 201

SQUARE FOOTAGE

INTERIOR	3,516
LOBBY	59
LANAI	745
TOTAL	4,320

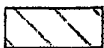
UNIT 202


SQUARE FOOTAGE

INTERIOR	3,660
LOBBY	59
LANAI	745
TOTAL	4,464



COMMON ELEMENTS

 Denotes Limited Common Elements

 Denotes Common Elements

III ACQUILUS

Oceanfront Luxury Condominiums

FLOOR PLAN
Living Level Floor 3

UNIT 301

SQUARE FOOTAGE

INTERIOR 3,516

LOBBY 59

LANAI 745

TOTAL 4,320

UNIT 302

SQUARE FOOTAGE

INTERIOR 3,660

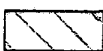
LOBBY 59

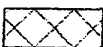
LANAI 745

TOTAL 4,464



COMMON ELEMENTS

 Denotes Limited Common Elements

 Denotes Common Elements

III ACQUILUS

Oceanfront Luxury Condominiums

FLOOR PLAN Living Level Floor 4

UNIT 401

SQUARE FOOTAGE

INTERIOR 3,484

LOBBY 59

LANAI 745

TOTAL 4,288

UNIT 402

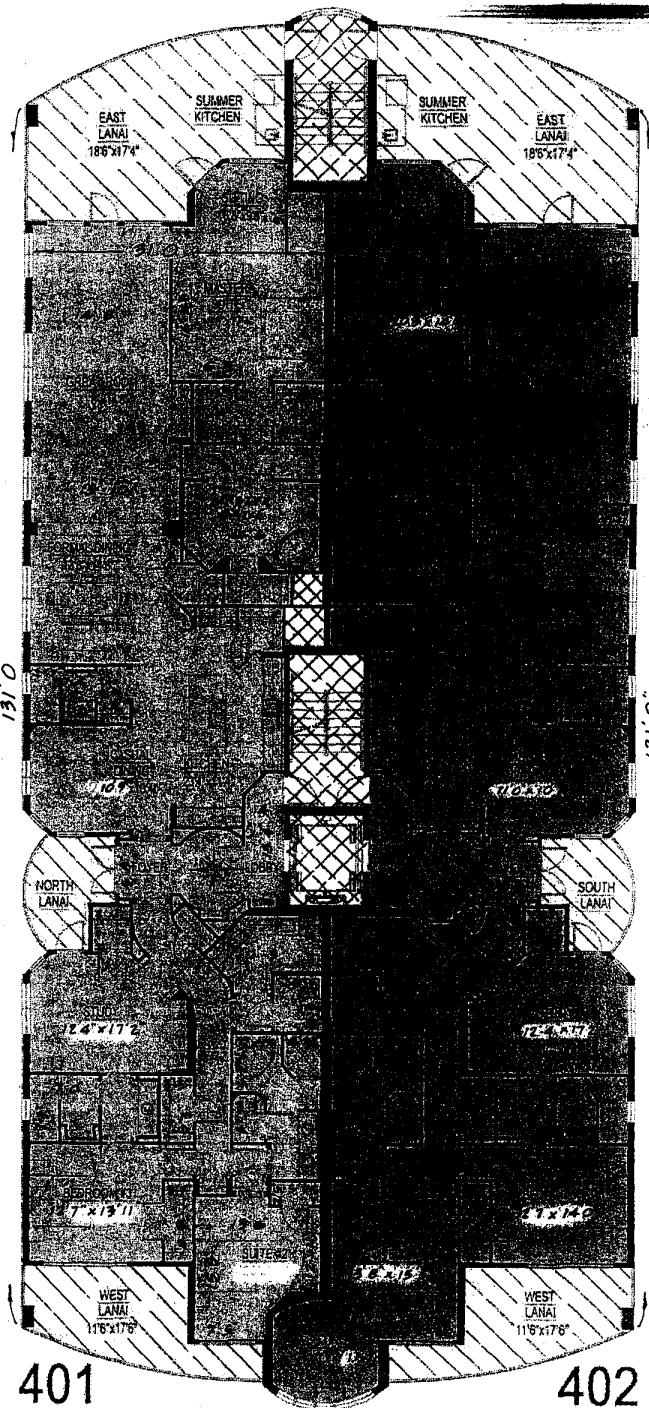
SQUARE FOOTAGE

INTERIOR 3,660

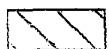
LOBBY 59


LANAI 745

TOTAL 4,464



COMMON ELEMENTS

 Denotes Limited Common Elements

 Denotes Common Elements

II ACQUILUS

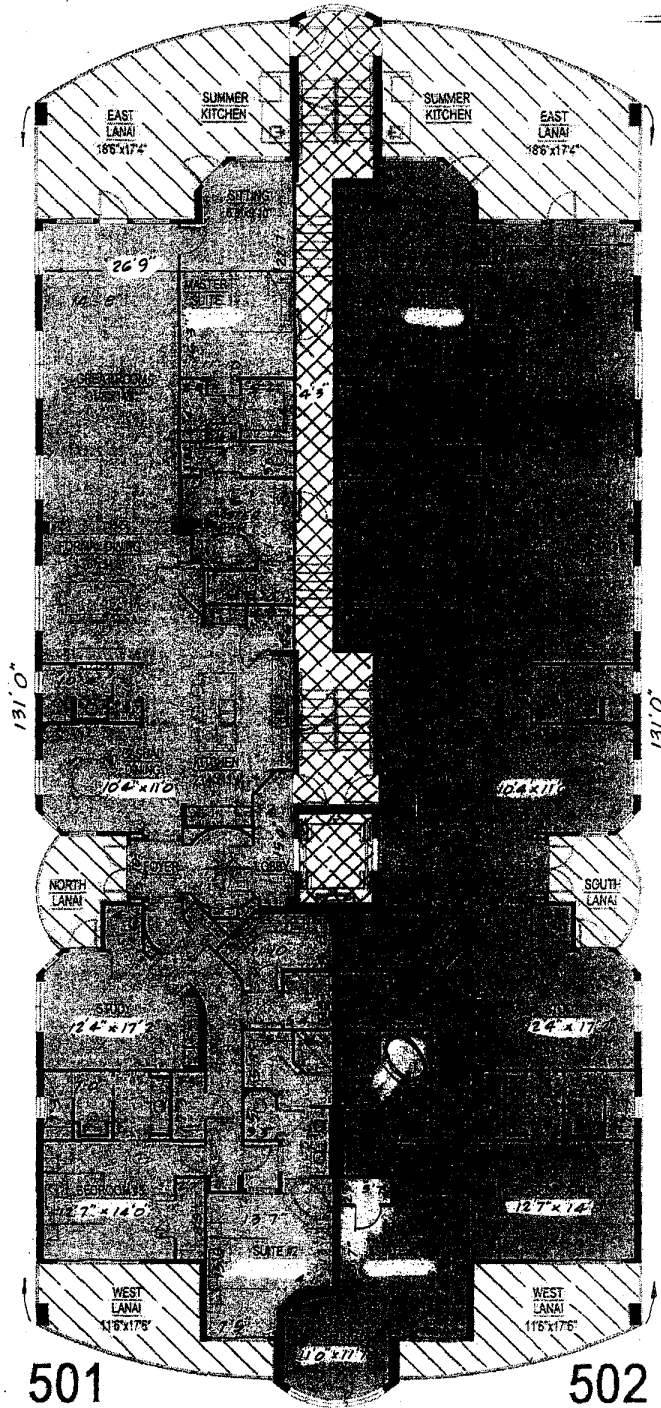
Oceanfront Luxury Condominiums
FLOOR PLAN
 Living Level Floor 5

UNIT 501

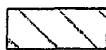
SQUARE FOOTAGE	
INTERIOR	3,305
LOBBY	59
LANAI	745
TOTAL	4,109


UNIT 502

SQUARE FOOTAGE	
INTERIOR	3,660
LOBBY	59
LANAI	745
TOTAL	4,464



COMMON ELEMENTS

 Denotes Limited Common Elements

 Denotes Common Elements

III ACQUILUS

Oceanfront Luxury Condominiums

FLOOR PLAN Living Level Floor 6

UNIT 601

SQUARE FOOTAGE

INTERIOR 3,516

LOBBY 59

LANAI 745

TOTAL 4,320

UNIT 602

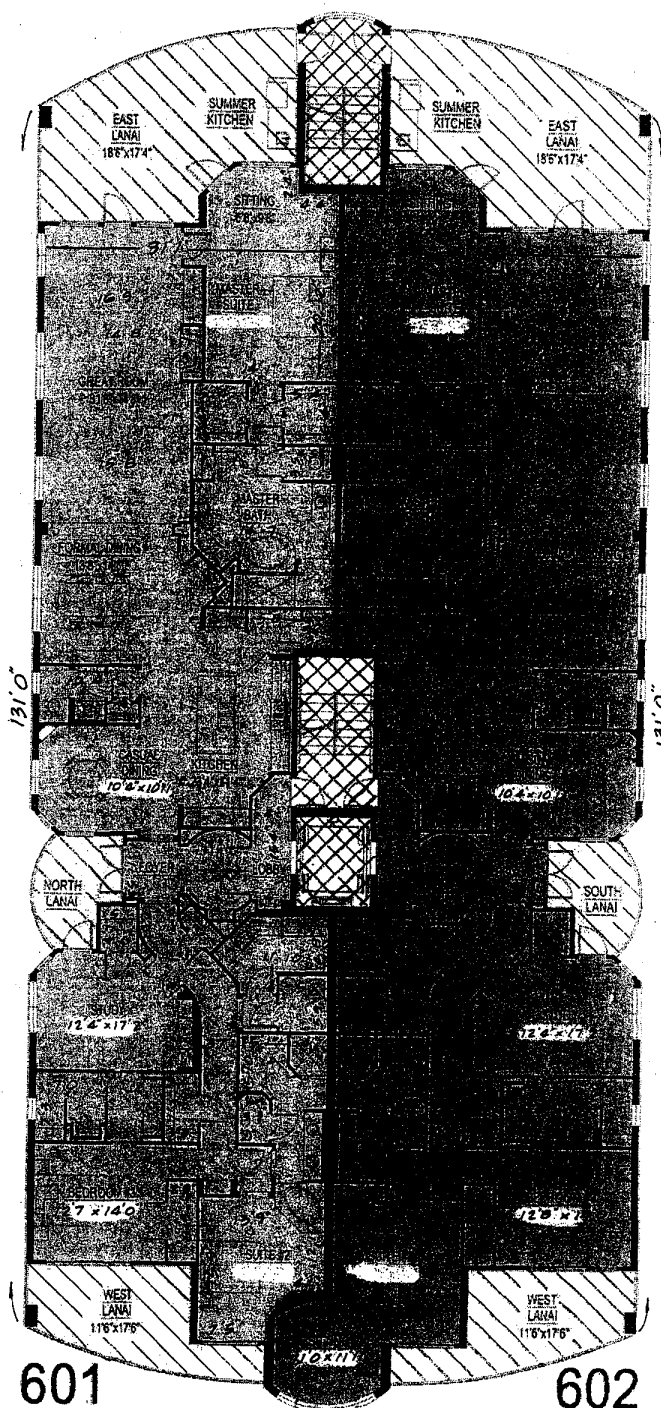
SQUARE FOOTAGE

INTERIOR 3,660

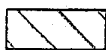
LOBBY 59

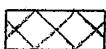
LANAI 745

TOTAL 4,464



COMMON ELEMENTS

 Denotes Limited Common Elements

 Denotes Common Elements

III ACQUILUS

Oceanfront Luxury Condominiums

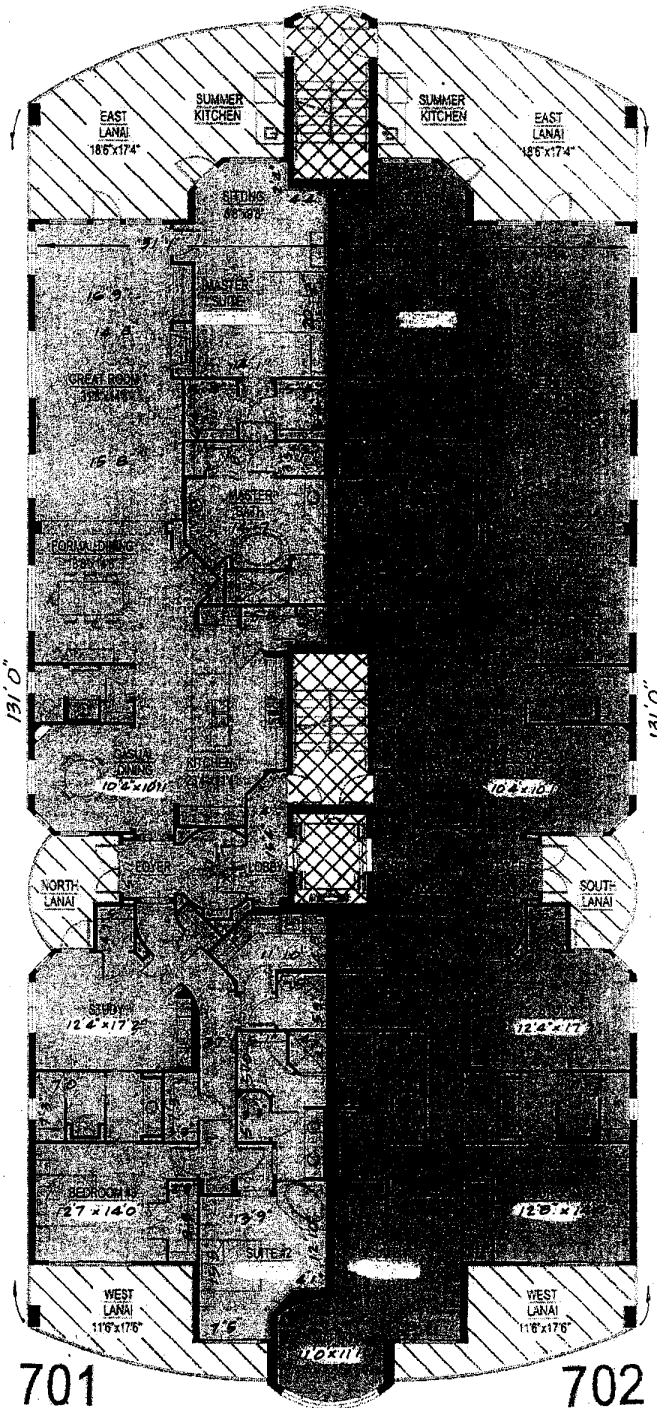
FLOOR PLAN Living Level Floor 7

UNIT 701

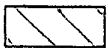
SQUARE FOOTAGE	
INTERIOR	3,516
LOBBY	59
LANAI	745
TOTAL	4,320


UNIT 702

SQUARE FOOTAGE	
INTERIOR	3,660
LOBBY	59
LANAI	745
TOTAL	4,464



COMMON ELEMENTS

 Denotes Limited Common Elements

 Denotes Common Elements

III ACQUILUS

Oceanfront Luxury Condominiums

FLOOR PLAN
Living Level Floor 8

UNIT 801

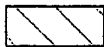
SQUARE FOOTAGE	
INTERIOR	3,516
LOBBY	59
LANAI	745
<hr/>	
TOTAL	4,320

UNIT 802

SQUARE FOOTAGE	
INTERIOR	3,660
LOBBY	59
LANAI	745
<hr/>	
TOTAL	4,464



COMMON ELEMENTS

 Denotes Limited Common Elements


 Denotes Common Elements

EXHIBIT "F"

ACQUILUS III, A CONDOMINIUM

**ARTICLES OF INCORPORATION OF
ACQUILUS III CONDOMINIUM ASSOCIATION, INC.**

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**ARTICLES OF INCORPORATION
OF
ACQUILUS III CONDOMINIUM ASSOCIATION, INC.**

SECRETARY OF STATE
TALLAHASSEE FLORIDA

In order to form a corporation under the laws of the State of Florida for the formation of non profit corporations, the undersigned, hereby forms a corporation for the purposes and with the powers herein specified; and to that end the undersigned does, by these Articles of Incorporation, set forth:

I. NAME

The name of the corporation shall be Acquilus III Condominium Association, Inc. ("Association").

II. PURPOSE

The purposes and objects of the Association shall be to administer the operation and management of ACQUILUS III, A CONDOMINIUM ("Condominium") which may be established in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes ("Act") upon that certain real property situated in Duval County, Florida, described on Exhibit A of the Declaration of Condominium of ACQUILUS III, a Condominium to be recorded in the public records of Duval County, Florida ("Declaration") as such Declaration is amended from time to time, and to perform the acts and duties incident to the operation and management of the Condominium in accordance with the provisions of these Articles of Incorporation, the Bylaws of the Association which will be adopted ("Bylaws") pursuant hereto and the Declaration as and when the property described therein together with the improvements situated thereon are submitted to the condominium form of ownership; and to own, operate, encumber, lease, manage, sell, convey, exchange and otherwise deal with the lands submitted to the condominium form of ownership; the improvements thereon and such other property, real and/or personal, as may be or become part of the Condominium ("Condominium Property") to the extent necessary or convenient in the administration of the Condominium as provided for in the Declaration. In addition, the Association may be designated as the Association to operate and maintain other condominiums. Upon designating the Association in a declaration of condominium creating a condominium, the Association shall have all the powers, duties and obligations as set forth in the declaration for such condominium and as set forth herein with respect to such condominium. The Association shall be conducted as a non profit organization for the benefit of its members.

III. POWERS

The Association shall have the following powers:

- A. In addition to the powers set forth below, all of the powers and privileges granted to corporations not-for-profit under the Act and under the law pursuant to which this corporation is chartered.
- B. All of the powers reasonably necessary to implement and effectuate the purposes of the Association, including, without limitation, the power, authority and right to:

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1. Adopt, establish and amend reasonable rules and regulations governing use of the Units, Common Elements, Limited Common Elements and the Association Property, as such terms will be defined in the Declaration.
2. Levy and collect assessments for the Common Expenses, from Members of the Association in accordance with the Declaration.
3. Maintain, repair replace, operate, lease and manage the Condominium and Common Elements and, including the right to reconstruct improvements after casualty and to further improve and add to the Condominium Property and Association Property.
4. Contract for the management of the Condominium and, in connection therewith, delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Declaration and the Act.
5. Employ personnel to perform the services required for the proper operation of the Condominium.
6. Enforce the provisions of these Articles of Incorporation, the Declaration, the Bylaws, and all rules and regulations governing use of the Condominium now existing or which may hereafter be established including without limitation the right to assess fines as provided herein.
7. Purchase Units in the Condominium and buy, own, operate, lease, sell, trade and mortgage the Units and other real and personal property for the benefit of its members.
8. Obtain and maintain adequate insurance to protect the Association and the Condominium Property in accordance with the requirements set forth in the Declaration.
9. Grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.
10. Merge with other condominium associations, provided that such merger is approved by the majority of the votes of the members of the associations to be merged.
11. Contract to sue or be sued with respect to its exercise or non-exercise of its powers.
12. Access each Unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Elements or to prevent damage to such Common Elements.
13. Borrow money, execute promissory notes and other evidences of indebtedness and to give security therefor.
14. To the extent that the Declaration, Articles or Bylaws require the joinder of Members (Unit Owners), execute, acknowledge and deliver such documents, and Members

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(Unit Owners) by acceptance of their deeds, irrevocably nominate, constitute and appoint the Association, through its duly authorized officers, as their proper and legal attorney-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable.

15. Pay all taxes and assessments levied against the Condominium Property by appropriate governmental authorities and assess the same against the Members and their Units.

16. Adopt hurricane shutter specifications.

17. Prepare or cause to be prepared all financial reports required by the Act or rules and regulations issued in accordance with the Act.

18. Enter into agreements, to acquire leaseholds, memberships and other possessory or use interests in lands or facilities including recreational facilities in clubs, whether such facilities are contiguous with the Condominium Property, provided that such facilities are for the benefit of Members.

C. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and Declaration, Bylaws and the Act (as of the date of incorporation).

IV. MEMBERS

The qualifications of members, manner of their admission to and termination of membership and voting by members shall be as follows:

A. The owners of all Units in the Condominium shall be members of the Association.

B. Membership shall be established by the acquisition of a fee title to a Unit in the Condominium, or by acquisition of a fee ownership interest therein, by voluntary conveyance or operation of law, and the membership of any person or entity shall be automatically terminated when such person or entity is divested of all title or his entire fee ownership in such Unit; provided, that nothing herein contained shall be construed as terminating the membership of any person or entity owning fee title to or a fee ownership interest in two or more Units at any time while such person or entity shall retain fee title to or a fee ownership interest in any Unit.

C. The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the Unit(s) owned by such member. The funds and assets of the Association shall be expended, held and used only for the benefit of the membership and for the purposes authorized herein, in the Declaration, and in the Bylaws.

D. On all matters upon which the membership is entitled to vote, as hereinafter provided, there shall be one, and only one vote for each Unit in the Condominium, which vote may be exercised or cast by the Owner(s) of each Unit as provided for in the Bylaws. Should any member own more than one Unit, such member shall be entitled to exercise or cast one vote for each such Unit, in the manner provided for in the Bylaws.

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E. Until such time as the Declaration is recorded in the public records of Duval County, Florida, the membership of the Association shall be comprised of the subscribers to these Articles, each of whom shall be entitled to cast one vote on all matters upon which the membership would be entitled to vote.

V. EXISTENCE AND DISSOLUTION

The Association shall have perpetual existence. The Association may be dissolved upon termination of the Condominium in accordance with Article XII of the Declaration, subject to notice to the Division. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be distributed pursuant to §718.117, Florida Statutes.

VI. PRINCIPAL OFFICE/REGISTERED OFFICE/REGISTERED AGENT

The principal office of the Association shall be located at 200 West Forsyth Street, Suite 400, Jacksonville, Florida 32202. The mailing address is 200 West Forsyth Street, Suite 400, Jacksonville, Florida 32202, but the Association may maintain offices and transact business in such places, within or without the State of Florida, as may from time to time be designated by the Board of Directors.

The Registered Agent is Cantrell Real Estate, Inc., a Florida corporation. The Registered Agent is located at 200 West Forsyth Street, Suite 400, Jacksonville, Florida 32202.

VII. MANAGEMENT

The affairs of the Association shall be managed by the President of the Association assisted by the Vice President, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers of corporations in the State of Florida subject to the direction of the Board of Directors. The Board of Directors, or the President, with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Condominium and the affairs of the Association, and any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a member of the Association or a Director or officer of the Association, as the case may be. Provided however, no written contract between a party contracting to provide maintenance or management services and the Association providing for operation, maintenance, or management of the Association or Condominium Property shall be valid or enforceable unless the contract discloses any financial or ownership interest which the Developer, if Developer is in control of the Association, any Director or any party providing maintenance or management services to the association holds with regard to the party contracting to provide maintenance or management services or is otherwise deemed invalid or unenforceable under Florida Statute §718.3025.

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VIII. BOARD OF DIRECTORS

During the time the Developer is in control of the Board, there shall be three directors. Upon turnover of the control of the Board to the Unit Owners (other than the Directors), the number of Directors shall be increased to five (5) directors. Thereafter, the Board of Directors may increase the number of Directors to seven (7) or nine (9), to be voted upon at the next annual meeting of the Members, upon a vote of at least seventy-five percent of the Directors at a duly called meeting for which specific notice of said vote was given to the Members. Unit Owners other than the Developer may elect one third of the members of the Board of Directors upon the sale of fifteen percent (15%) of the Units in the Condominium; Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors (a) three (3) years after fifty percent (50%) of the Units have been conveyed to purchasers, (b) three (3) months after ninety percent (90%) of the Units have been conveyed to purchasers, (c) until all the Units have been completed and some have been conveyed to the purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business, (d) when some of the Units have been conveyed and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, (e) when the Developer files a petition seeking protection in bankruptcy, (f) when a receiver for the Developer is appointed by a circuit court and is not discharged within thirty (30) days after such appointment, or (g) seven (7) years after recording the Declaration, whichever shall first occur. The Developer reserves the right to elect at least one (1) director of the Condominium Association so long as it owns at least five percent (5%) of the Units.

IX. OFFICERS

The Board of Directors shall elect at the annual meeting of members each year, a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall deem advisable from time to time. The President shall be elected from the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

X. FIRST BOARD OF DIRECTORS

The name and addresses of the members of the First Board of Directors who, subject to the provisions of the laws of the State of Florida, these Articles of Incorporation and the Bylaws shall hold office for the first year of the Association's corporate existence, and thereafter until their successors are selected and have qualified, are as follows:

Heyward M. Cantrell
Matthew P. Ray
Jeanie M. Jacobson

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XI. FIRST OFFICERS

The officers of the Corporation, who shall hold office until their successors are elected pursuant to these Articles of Incorporation and the Bylaws, and have qualified, shall be the following:

President: Heyward M. Cantrell
Vice President: Matthew P. Ray
Secretary/Treasurer: Jeanie M. Jacobson

XII. BYLAWS

The original Bylaws of the Association shall be adopted by a majority vote of the subscribers to these Articles of Incorporation at a meeting at which a majority of the subscribers is present, and, thereafter, the Bylaws may be amended, altered or rescinded by affirmative vote of the majority of the Board of Directors. No amendment to the Bylaws shall be passed which would change the rights and privileges of the Developer referred to in the Declaration, and the Exhibits attached thereto, without the Developer's written approval.

XIII. INDEMNIFICATION

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. 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.

As required by Florida Statutes § 617.0830, an officer, director, or agent shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the interests of the association. An officer, director, or agent shall be liable for monetary damages as provided in Florida Statutes § 617.0834 if such officer, director, or agent breached or failed to perform his or her duties and the breach of, or failure to perform, his or her duties constitutes a violation of criminal law as provided in Florida Statutes § 617.0834; constitutes a transaction from which the officer or director derived an improper personal benefit, either directly or indirectly; or constitutes recklessness or an act or omission that was in bad faith, with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

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XIV. AMENDMENTS TO ARTICLES OF INCORPORATION

These Articles of Incorporation may be amended by the vote of a majority of the Board of Directors at a duly called regular or special meeting at which a quorum is present. Thereupon, such amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each such amendment of these Articles of Incorporation shall be recorded in the public records of Duval County, Florida, within thirty (30) days from the date on which the same is filed in the office of the Secretary of State. Notwithstanding the foregoing provisions of this Article, no amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Developer to designate and select members of the Board of Directors of the Association, as provided in Article VIII hereof, may be adopted or become effective without the prior written consent of Developer.

XV. FIDELITY BONDING

In addition to the indemnification provisions hereof, the Association shall obtain and maintain blanket fidelity bonds on each Director, officer and employee of the Association and of any management firm. The total amount of fidelity bond coverage shall be based upon the best business judgment of the Board of Directors and shall not be less than the estimated maximum funds including reserve funds, in the custody of the Association or management firm, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate assessments on all Units plus reserve funds or \$10,000, whichever is the greater. The fidelity bond shall name the Association as an obligee and shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The premiums on all bonds shall be paid by the Association as a common expense (expense for the premiums on fidelity bonds maintained by the management firm, if any). The bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to the Association.

[SIGNATURES FOLLOW ON THE NEXT PAGE]

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IN WITNESS WHEREOF, the subscriber hereto has set his hand and seal this 4 day of August, 2009.

Heyward M. Cantrell
Heyward M. Cantrell, Incorporator

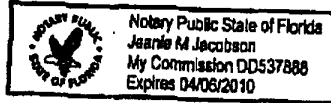
200 West Forsyth Street, Ste. 400
Jacksonville, FL 32202

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this a 4 day of August 2009, by Heyward M. Cantrell, who is personally known to me or who produced _____ as identification.

Jeanie M. Jacobson
Printed Name: Jeanie M. Jacobson

[NOTARIAL SEAL]



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SECRETARY OF STATE
TALLAHASSEE FLORIDA

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CERTIFICATE OF DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN FLORIDA, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED:

ACQUILUS III CONDOMINIUM ASSOCIATION, INC. DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE OF FLORIDA, WITH ITS PRINCIPAL PLACE OF BUSINESS AT 200 WEST FORSYTH STREET, SUITE 400, JACKSONVILLE, FLORIDA 32202, HAS NAMED CANTRELL REAL ESTATE, INC., A FLORIDA CORPORATION, AS ITS AGENT TO ACCEPT SERVICE OF PROCESS WITHIN THE STATE OF FLORIDA.

ACQUILUS III CONDOMINIUM ASSOCIATION, INC., a Florida non profit corporation

By: Heyward M Cantrell
Heyward M. Cantrell
Its: President

Date: 8-4-09

(Corporate Seal)

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE STATE CORPORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY AGREE TO ACT IN THIS CAPACITY, AND I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES.

CANTRELL REAL ESTATE, INC., a Florida corporation

By: Heyward M Cantrell
Name: Heyward M Cantrell
Its: president
Dated: 8-4-09

(Corporate Seal)

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SECRETARY OF STATE
TALLAHASSEE FLORIDA

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EXHIBIT "G"

ACQUILUS III, A CONDOMINIUM

**BY-LAWS OF
ACQUILUS III CONDOMINIUM ASSOCIATION, INC.**

**BYLAWS
OF
ACQUILUS III CONDOMINIUM ASSOCIATION, INC.**

a Florida non profit corporation

I. IDENTITY

A. Applicability. These are the Bylaws of Acquilus III Condominium Association, Inc. (the "Association"), a Florida non profit corporation organized pursuant to the provisions of Chapters 617 and 718, Florida Statutes, as amended to the date of filing of the Articles of Incorporation. The purpose and object of the Association shall be to administer the operation and management of any condominium which may be established in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes, as such may be amended from time to time ("Act"), and for which the Declaration of Condominium specifies that the Association shall be the entity responsible for the operation and maintenance of the condominium. All provisions of §718.112(a) through (o), Florida Statutes, are deemed to be included in these Bylaws. In the event of conflict between the terms, covenants, conditions and restrictions contained in this these Bylaws and the provisions of §718.112(a) through (o), Florida Statutes, then the provisions of §718.112(a) through (o), Florida Statutes, shall control.

B. Office. The office of the Association shall be at First Street North, Jacksonville Beach, Florida 32250, or at such other place as may be established by resolution of the Board of Directors.

C. Fiscal Year. The fiscal year of the Association shall be the calendar year.

D. Seal. The seal of the Association shall bear the name of Acquilus III Condominium Association, Inc., and the year of incorporation.

II. MEMBERSHIP, VOTING, QUORUM, PROXIES

A. Membership. The qualification of members of the Association (the "Members"), the manner of their admission to membership and termination of such membership and voting by Members, shall be as set forth in Article IV of the Articles, the provisions of which are incorporated herein by reference.

B. Quorum. A quorum at meetings of Members shall consist of persons entitled to cast twenty percent (20%) of the votes, whether in person or by proxy.

C. Voting. The vote of the owner(s) of a Unit in the Condominium owned by more than one natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit as the "Primary Occupant" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person (except a husband and wife as tenants by the entirety), a partnership, or any

association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by written instrument acceptable to the Association, designate one natural person as the Primary Occupant. The instrument designating the Primary Occupant shall be filed with the Association, and the person so designated shall be and remain the Primary Occupant of the Unit until such designation has been revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The Primary Occupant of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the vote of the owner(s) of such Unit at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act. No voting interest or consent right allocated to a Unit owned by the Association shall be exercised or considered for any purpose, whether for a quorum, an election or otherwise.

Matters properly brought before the Members shall be deemed passed if approved by a majority of the votes cast in person or by proxy at a meeting at which a quorum is present.

D. Approval. Evidence of the approval or disapproval of the owner(s) of a Unit upon any matter, whether or not the subject of an Association Meeting, shall be given to the Association by the Primary Occupant.

E. Vote Required. Except as otherwise required under the provisions of the Articles, these Bylaws or the Declaration, or where the same otherwise may be required by law, at any meeting of the general Membership of the Association, if any, duly called and at which a quorum is present, the acts approved by the affirmative vote of the majority of the votes present in person or by proxy and entitled to vote upon any question shall be binding upon the Members.

F. Proxies. At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by limited proxy. Any proxy given shall contain the date, time and place of the meeting for which the proxy is given. A limited proxy in the form specified by the Division of Land Sales, Condominiums and Mobile Homes (the "Division") which proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. The proxy shall set forth the name of the person voting by proxy and the name of the person authorized to vote the proxy for him. All such proxies shall be filed with the Secretary prior to or during the roll call of such meeting. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Member executing it.

G. Limited or General Proxies. Limited or general proxies may be used to establish a quorum. Limited proxies shall be used for (a) votes taken to waive or reduce reserves; (b) votes taken to amend the Declaration; (c) votes taken to amend the Articles or the Bylaws; or (d) for any other matter for which this chapter requires or permits a vote of Members. No proxy, limited or general, may be used in connection with the election of the Board of Directors. General proxies may be used for other matters for which limited proxies are not required.

H. Consent to Action. Unless a duly called meeting of the Association shall be specifically required for action to be taken by the Members in these Bylaws, the Articles, the Declaration, the Act or other Florida Statutes, any action to be taken by the Association may be

taken by written consent setting forth the action so taken, approved by Members holding not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voting.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

A. **Annual Meeting.** The annual meeting of the Members shall be held at the office of the Association or such other place in Duval County, Florida and at such time as may be specified in the notice of the meeting, during the month of January of each year, at a date and time selected by the Board of Directors, for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members.

B. **Special Meetings.** Special meetings of the entire membership of the Association shall be held whenever called by the President or Vice President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from Members entitled to cast a ten percent (10%) of the votes of the entire membership.

C. **Notice of Meetings.**

(1) **Generally.** Written notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Primary Occupant unless waived in writing. Each notice shall state the time and place of and purpose for which the meeting is called, shall contain an agenda and shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) continuous days prior to the meeting. Unless a Primary Occupant waives in writing the right to receive notice of the annual meeting by mail or hand delivery, the notice of the annual meeting shall be sent by mail or hand delivered to each Primary Occupant. Notice for meetings and notice for all other purposes shall be mailed to each member at the address last furnished to the Association by the Member or hand delivered to the Member. Where a Unit is owned by more than one person, the notice for the meeting and all other purposes shall be to the address initially identified in the corporate records or as the Primary Occupant shall thereafter advise the Association in writing and if there is no address identified and the parties do not agree, the notice shall be sent to the address on the deed conveying the Unit. The Secretary or, in the absence of the Secretary, another officer of the Association or the manager shall execute and file an affidavit or a United States Postal Service certificate of mailing in the Association's official records to evidence compliance with the notice requirement. The Board of Directors shall by duly adopted rule designate a specific location on the Condominium property upon which all notices of the meeting shall be posted.

(2) **Annual.** Notice of the annual meeting shall be given or mailed to each Member not less than fourteen (14) days prior to the date set for the meeting. Such notice shall be deemed properly given when deposited in the United States Mail addressed to the Primary Occupant at his post office address in the same manner as set forth in subparagraph C(1) above. Notices may also be delivered personally. If delivered personally, receipt of notice shall be signed by the Member, indicating the date received. Each notice shall, in addition, be posted at a conspicuous place on the Condominium Property at least fourteen (14) continuous days prior to the meeting.

(3) Special. Notice of Special Meetings shall be given to each Primary Member not less than fourteen (14) days prior to the date set for the meeting and shall be mailed by regular mail or delivered personally as provided above.

(4) Waiver. Any Member may, in writing signed by such Member, waive notice of any meeting prior to such meeting, and such waiver, when filed in the records of the Association shall be deemed equivalent to the giving of such notice to such Member.

(5) Adjourned Meetings. If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for a particular purpose is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the Bylaws or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

D. Presiding Officer and Minutes. At meetings of Members, the Chairman of the Board, or in his absence, the President, shall preside, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a businesslike manner and available for inspection by Directors, Members and their authorized representatives during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

E. Order of Business. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

- (1) Ballots not yet cast shall be collected;
 - (2) Calling of the roll and certifying of proxies;
 - (3) Proof of notice of meeting or waiver of notice;
 - (4) Reading or waiver of reading of minutes of previous meeting of Members;
- Reports of officers;
- (5) Reports of committees;
 - (6) Appointment of Chairman of inspectors of election;
 - (7) Election of Directors;
 - (8) Unfinished business;
 - (9) New business; and
 - (10) Adjournment.

IV. BOARD OF DIRECTORS

A. **Members of Board.** The first Board of Directors shall consist of not less than three (3) persons as designated in the Articles of Incorporation. Pursuant to the Declaration of Condominium, Acquilus III, LLC, a Florida limited liability company ("Developer") reserves the right to appoint Directors to the Board as set forth therein. At such time as the Members, other than the Developer, are entitled to elect the majority of the Directors, the number of Directors may be changed to five (5) directors. Thereafter, the Board of Directors may increase the number of Directors to seven (7) or nine (9), to be voted upon at the next annual meeting of the Members, upon a vote of at least seventy-five percent of the Directors at a duly called meeting for which specific notice of said vote was given to the Members. Members that are coowners of a Unit may not serve as members of the Board of Directors at the same time. Any Unit Owner desiring to be a candidate for a member of the Board of Directors shall comply with Article IV, Section B, paragraph 6 herein. A person who has been suspended or removed by the Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation under the Act, or who is delinquent in the payment of any fee or assessment as provided in §718.112(n), Florida Statutes, is not eligible to serve as a member of the Board of Directors. Any person who has been convicted of any felony in Florida or in a United States District or Territorial Court, or who has been convicted of any offense in another jurisdiction that would be considered a felony if committed in Florida, is not eligible to serve as a member of the Board of Directors unless such felon's civil rights have been restored for a period of no less than five (5) years as of the date on which such person seeks election to the Board of Directors. Notwithstanding the foregoing, the validity of an action by the Board of Directors is not affected if it is later determined that a member of the Board or Directors is ineligible to serve as a member of the Board of Directors due to having been convicted of a felony. Any Director more than ninety (90) days delinquent in the payment of regular assessments shall be deemed to have abandoned his or her office, creating a vacancy to be filled according to law. Any Director charged with a felony theft or embezzlement offense involving the Association's funds or Association Property shall be removed from his or her office, creating a vacancy in the office to be filled according to law. While such Director has such criminal charge pending, he or she may not be appointed or elected to a position as a Director or officer. However, should the charges be resolved without a finding of guilt, such Director shall be reinstated for the remainder of his or her term of office, if any.

B. **Election of Directors.** Directors shall be elected in the following manner:

(1) Commencing with the election of the Board to succeed the first Board as designated in the Articles, Developer shall appoint that number, and the identity, of the members of the Board which it shall be entitled to appoint in accordance with the Articles and these Bylaws, and upon such appointment by Developer, by written instrument presented to the meeting at which such election is held, the persons so appointed by Developer shall be deemed and considered for all purposes Directors of the Association and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or appointed, as the case may be, and qualified in accordance with the provisions of these Bylaws.

(2) For so long as the Developer shall retain the right to appoint at least one member of the Board of Directors, all members of the Board of Directors whom Developer shall

not be entitled to appoint under these Bylaws shall be elected at large, by a plurality of the votes cast at the annual meeting of the general membership, immediately following designation of the members of the Board whom Developer shall be entitled to appoint. Commencing with the first annual election of Directors after the Developer shall have lost or relinquished the right to appoint at least one Director, the Members shall elect all the Directors, by a plurality of the votes cast by written ballot or voting machine at the annual meeting of the general membership.

(3) Vacancies on the Board may be filled, until the next scheduled election, by the remaining Directors, except that should any vacancy on the Board be created in a directorship previously filled by any person appointed by Developer, such vacancy should be filled by Developer appointing by written instrument delivered to any officer of the Association, the successor Director, who shall fill the vacated directorship for the unexpired term thereof.

(4) Each Director shall serve for one year until the next annual meeting and such Director may stand for reelection unless otherwise permitted herein. If no person is interested in or demonstrates an intention to run for the position of a Director whose term has expired, such Director shall be automatically reappointed to the Board and need not stand for reelection.

(5) In the election of Directors, there shall be appurtenant to each Unit one (1) vote for each Director to be elected. Provided, however, that no Member may cast more than one vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be noncumulative. The election shall be by secret ballot, but if there is only one candidate for election to fill each vacancy, no election is required.

(6) Within 75 days after the unit owners other than the developer are entitled to elect a member or members of the Board of Directors, the Association shall call a meeting to elect such director(s). The election shall proceed as provided in §718.112, Florida Statutes, as such shall be amended from time to time. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, to each Member entitled to vote, a first notice of the date of the election, along with a certification form provided by the Division of Condominiums attesting that he or she has read and understands, to the best of his or her ability, the governing documents of the Association, the provisions of the Act and any applicable rules. Any Member may nominate himself and any Member desiring to be a candidate for the Board must give written notice to the Board not less than forty (40) days before the scheduled election. The Association shall mail or deliver a written notice of the meeting and agenda together with a second notice of the election to all Members, a ballot which shall list all candidates, and upon request of a candidate, an information sheet no larger than 8 1/2 by 11 inches, which must be furnished by the candidate not less than 35 days before the election, along with the signed certification form described above. The Association is not liable for the contents of the information sheets prepared by the candidates. Upon election of the first unit owner other than the developer to the Board of Directors, the developer shall forward to the Division of Condominiums the name and mailing address of the unit owner board member.

(7) In the event that Developer selects any person or persons to serve on the Board, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement

of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

(8) If the Association fails to fill vacancies on the Board of Directors sufficient to constitute a quorum in accordance with these Bylaws, any Member may give notice of his or her intent to apply to the circuit court of Duval County for the appointment of a receiver to manage the affairs of the Association pursuant to §718.1124. The notice required by subsection be in the form provided in §718.1124, Florida Statutes, and must be provided by the Member to the Association by certified mail or personal delivery, must be posted in a conspicuous place on the Condominium Property, and must be provided by the Member to every other Member of the Association by certified mail or personal delivery. The notice must be posted and mailed or delivered at least thirty (30) days prior to the filing of a petition seeking receivership. Notice by mail to a Member shall be sent to the address used by the Duval County Property Appraiser for notice to the Member, except that where a Member's address is not publicly available the notice shall be mailed to such Member's Unit. If the Association fails to fill the vacancies within thirty (30) days after the notice required by this Article IV, Section B, paragraph 8 is posted and mailed or delivered, the unit owner may proceed with the petition. If a receiver is appointed, all Members shall be given written notice of such appointment as provided in §718.127, Florida Statutes. 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 Directors and shall serve until the Association fills vacancies on the Board or Directors sufficient to constitute a quorum and the court relieves the receiver of the appointment.

C. **Election Procedure.** The election of the Board members shall be decided by a plurality of ballots cast. There shall be no quorum requirement for the election of Directors so long as at least twenty percent (20%) of the eligible voters cast a ballot. No Member shall permit any other Member to vote his or her ballot and any such ballots improperly cast shall be deemed invalid provided any Member who violates this provision may be fined by the Association in accordance with §718.303, Florida Statutes. A Member who needs assistance in casting the ballot for the reasons stated in §101.051, Florida Statutes may obtain assistance in casting the ballot.. Notwithstanding the provisions hereof, no election or balloting are required unless more candidates file notices of intent to run or are nominated than vacancies to be filled. The regular election shall occur on the date of the annual meeting.

D. **Regular Board Meeting.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived. Any item not included in a notice of a Board Meeting may be taken up on an emergency basis by a majority of the members of the Board plus one and such action shall be noticed and ratified at the next regular meeting.

E. Special Meeting. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than three (3) days' notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting, unless notice is waived.

F. Notices and Open Meetings. All meetings of the Board of Directors at which a quorum is present shall be open to all Members and notices of meetings shall be posted conspicuously in the Condominium forty-eight (48) continuous hours in advance for the attention of Members, except in an emergency and shall, to the extent possible, identify all agenda items. The Board shall adopt a rule to designate the place on the Condominium Property on which the notice shall be posted. Notice of any meeting where regular or special assessments against Members are to be considered for any reason shall specifically state that assessments will be considered and the nature, estimated cost and description of the purposes for such assessments. Written notice of any meeting at which the annual budget, non-emergency special assessments or amendments to rules are to be considered shall be mailed or delivered to Members and posted conspicuously on the Condominium Property not less than fourteen (14) continuous days prior to the meeting. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. Provided that, the Board may adopt reasonable rules governing the duration and manner of the foregoing member statements.

Any item not included on the notice may be taken up on an emergency basis by a vote of at least a majority plus one of the members on the Board. Any emergency action shall be noticed and ratified at the next regular meeting of the Board. Written notice of any meeting at which non-emergency special assessments or at which an amendment to rules regarding Unit use will be considered shall be mailed or delivered to the Members and posted on the Condominium Property not less than fourteen (14) days prior to the meeting. If twenty percent (20%) of the voting interests petition the Board to address an item of business, the Board shall at its next regular Board meeting or at a special meeting of the Board, but not later than sixty (60) days after the receipt of the petition, place the item on the agenda.

G. Board Minutes. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Members and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

H. Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

I. Quorum. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Any Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to an action unless he or she votes against such action or abstains from voting in respect thereto. Any Director who abstains from voting on any action taken on any corporate matter shall be presumed to have taken no position with regard to the action. 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 at meeting of the Board shall be recorded in the minutes.

If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The notice for any adjourned meetings must also comply with the requirements for a Board meeting set forth in subparagraph (F) above.

J. Voting and Approval. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, the Bylaws or the Declaration.

K. Removal and Recall. 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 five (5) full business days of the adjournment of the Member meeting to recall one or more of the Board members. At the meeting, the Board shall either certify the recall, in which case such member or members of the Board shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession or shall proceed as hereinafter provided. If the proposed recall is by 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 shall duly notice and hold a meeting of the Board within five (5) full business days after receipt of the written agreement. At the meeting, the Board shall either certify the written agreement or shall recall the member or members of the Board, in which case such member or members of the Board shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession as hereinafter described. If the Board determines not to certify the written recall of a member or members of the Board or does not certify the recall by a vote at a meeting, the Board shall within five (5) full business days after the meeting, file with the Division a petition for arbitration pursuant to the Condominium Act. For purposes of this section, the members 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, the arbitrator of the Division may take action pursuant to the Condominium Act. Any member or member so recalled shall deliver to the Board any and all records of the Association in their possession within five (5) full business days of the effective date of the recall. If the Board fails to duly notice or hold a Board meeting within five (5) full business days of service of an agreement in writing or within five (5) full business days of the adjournment of the Member 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. If a vacancy occurs on a Board as a result of a recall, unless the majority of the Board members are removed, the vacancy may be filled by the affirmative vote of the majority of the remaining directors notwithstanding any other provision to the contrary in this section. If vacancies occur on the Board as a result of recall and a majority or more of the Board members are removed, the vacancy shall be filled in accordance with the provisions hereof.

Directors may be removed from office with or without cause by the vote or agreement in writing by a majority of all votes. A special meeting of Members to recall a Director may be called by ten percent (10%) of the votes, giving notice of the meeting and stating the purpose. The action of the Members in connection with recall shall be governed by the rules and regulations of the Board of Directors. Any recalled Director shall turn over to the Board any and all records of the Association in their possession within five business days after the meeting at which the recall vote is passed.

L. Presiding Officer. The presiding officer of meetings of the Board shall be the Chairman of the Board, if such officer has been elected, or, if not, the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

M. Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of Florida, the Articles, these Bylaws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Declaration.

V. OFFICERS

A. Generally. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries, Assistant Treasurers or other officers as the Board shall deem advisable from time to time. The officers shall serve at the pleasure of the Board. Subsequent to the transfer of control of the Board to non-Developer Members, the President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of the President and Secretary or Assistant Secretary be held by the same person. The Board may, from time to time, elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board. The Board may remove such officers for cause or no cause, in their discretion, by a majority vote. Any officer more than ninety (90) days delinquent in the payment of regular assessments shall be deemed to have abandoned his or her office, creating a vacancy to be filled according to law. Any officer charged with a felony theft or embezzlement offense involving the Association's funds or Association Property shall be removed from his or her office, creating a vacancy in the office to be filled according to law. While such officer has such criminal charge pending, he or she may not be appointed or elected to a position as a Director or officer. However, should the charges be resolved without a finding of guilt, such officer shall be reinstated for the remainder of his or her term of office, if any.

B.

C. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including, but not limited to, the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

D. Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

E. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the affairs of the Association. He shall have such additional powers as the Board may designate. He shall attend to the giving and serving of all notices to the Members and the Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a 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 Secretary of a corporation not for profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

F. Treasurer. The Treasurer shall have custody of all the property of the Association including funds, securities and evidences of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association (including without limitation a separate set of books of account for each of the condominiums administered by the Association) in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

G. Compensation. No compensation shall be paid to any officer of the Association, except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is appointed by the Developer shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer or with any corporation in which a director or officer of the Association may be a stockholder, officer, director or employee, for the management of the Condominium for such compensation as shall be mutually agreed between the Board and such officer, director or corporation, or from contracting with a director or officer or corporation in which a director or officer of the Association may be a stockholder, officer, director or employee for the purpose of making available to the owners of condominium Units such services as are contemplated by the provisions of Article IV of these Bylaws. Provided however, no written contract between a party contracting to provide maintenance or management services and the Association providing for operation, maintenance, or management of the Association or

Condominium Property shall be valid or enforceable unless the contract discloses any financial or ownership interest which the Developer, if Developer is in control of the Association, any Director or any party providing maintenance or management services to the Association holds with regard to the party contracting to provide maintenance or management services, and any contracts between the Association and any Director or any other corporation, firm, association, or entity in which any Director are directors, officers, or financially interested must comply with the requirements of § 718.3026 (3). An officer, director or manager may not solicit, offer to accept, or accept anything of service or value for which consideration has not been provided for his own benefit or that of his immediate family, from any person providing or proposing to provide goods or services to the Association.

H. Committees. The Board may, from time to time, appoint such committees as it may deem necessary or convenient and for such purposes as the Board may elect. No committee meetings, except committees to take final action on behalf of the Board or to make recommendations to the Board regarding the Association budget, shall be required to be open to the members.

VI. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions.

A. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Member and his respective Unit. Such account shall designate the name and mailing address of the Member owning each Unit, the amount of each assessment against the Member, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

B. Annual Budget. The Board shall adopt, for, and in advance of, each fiscal year, a budget showing the estimated revenues and estimated costs of performing all of the functions of the Association for the year. The budget shall show the total estimated revenues and expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements, Limited Common Elements, if maintained by the Association, Association Property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and reserve accounts for capital expenditures and deferred maintenance and any other reserves and/or funds which may be established from time to time by the Board. Such reserve accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement costs or deferred maintenance expenses of each reserve item. The Association may adjust replacement cost or deferred maintenance annually to take into consideration any changes in estimated or useful life of reserve items caused by deferred maintenance. All such reserve funds and interest thereon shall remain in such accounts for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority of the Members. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected

from the Members and due date(s) and amounts of installments thereof. Copies of the proposed budgets and proposed assessments shall be mailed or hand delivered to each Member at the last address furnished to the Association not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budgets will be considered, together with a notice of the time and place of the meeting, which must be open to Members. Evidence of compliance with this fourteen (14) day notice must be made by 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. If any budget is subsequently amended or supplemented, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended/supplemented budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies. The Members may, by a vote of the majority of votes present at a duly called meeting of Members, determine to provide no reserves or reserves at a less than adequate amount as established under the Act; provided, however, the Developer may vote to waive reserves or reduce funding of reserves for the first two (2) fiscal years of operation of the Association, beginning with the fiscal year in which the initial Declaration is recorded, with the vote taken each fiscal year; thereafter, reserves may be partially or fully waived only by the majority vote of the non-Developer votes present at a duly called meeting of the Association. If a meeting of Members has been called to determine to provide no reserves or reserves at less than required and the quorum requirement is not met, the reserves in the budget as prepared shall go into effect. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended shall contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot: **WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN MEMBER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**

C. Increased Budget(s). If a budget is adopted by the Board which requires Assessment of the Members in any budget year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding budget year, upon written application of ten percent (10%) of the Members, delivered to the Board within twenty-one (21) days after adoption of the annual budget, the Board shall call a special meeting of the Members to be held within 60 days after adoption of the budget. At the special meeting, Members shall consider and enact a budget. Any such revision of the budget shall require a vote off not less than fifty-one percent (51%) of the whole number of votes of all Members. The Board may in any event first propose a budget to the Members at any such meeting of Members or by writing, and if such budget or proposed budget be approved by a majority of the Members at the meeting or by a majority of all Members in writing, such budget is adopted, and such budget shall not thereafter be reexamined by the Members in the manner hereinabove set forth nor shall any and all Members of the Board be recalled under the terms hereof. If a meeting of the Members has been called and a quorum is not obtained or a substitute budget is not adopted by the Members, the budget adopted by the Board goes into effect as scheduled. In determining whether Assessments exceed one hundred fifteen percent (115%) of Assessments in the prior year, any authorized provisions for reasonable

reserves for repair or replacement of the Condominium Property, expenses which are not anticipated to be incurred on a regular or annual basis, or assessments for betterment of the Condominium Property, must be excluded from the computation.

D. Notice of Adopted Budgets. Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to all Members. Assessments shall be made against Members pursuant to procedures established by the Board, and in accordance with the terms of the Declaration and Articles. Members shall be liable to pay Assessments not less often than quarterly; provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws. Further, nothing provided herein shall be construed to preclude the right of the Association to accelerate assessments of a Member who is delinquent in his payment of assessments.

E. Assessments. Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each month, but in no event shall amounts be payable less often than quarterly. 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 installments on such assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

F. Special Assessments. Special Assessments shall be levied and paid as determined by the Board and shall be those chargeable to all Members of a Condominium in the same proportions as regular Assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the Board.

G. The Depository. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized. Any contract for the management and maintenance of the Condominium Property entered into by the Board with a management agent may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association. Reserve and operating accounts shall not be Condominium Property.

H. Financial Records. Within ninety (90) days following the end of the fiscal year, the Board of Directors of the Association shall mail or furnish by personal delivery to each Member a complete Financial report of actual receipts and expenditures for the previous twelve (12) months or a complete set of financial statements for the proceeding fiscal year prepared in accordance with the applicable rules and regulations of the Division of Land Sales Condominium and Mobile Homes and the Condominium Act. The Association may not waive the financial

reporting requirements of §718.111(13), Florida Statutes, for more than three (3) consecutive years. Any audit or review required under §718.111(13), Florida Statutes, shall be at the expense of the Developer if such audit or review is conducted prior to the time that Members other than the Developer are entitled to elect a majority of the members of the Board of Directors.

I. Fidelity Bonds. Fidelity bonds in an amount equal to the maximum amount of funds controlled by the Association and the Management Agreement shall be required from any persons handling or responsible for the control or disbursement of Association funds as the Board of Directors shall direct. The premiums of said bonds shall be paid by the Association.

J. Fines. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, the Declaration, the Articles of Incorporation of the Association, these Bylaws, or the Rules and Regulations adopted pursuant thereto ("Property Documents"), shall not constitute a waiver of the right to do so thereafter. In addition to all other remedies available to the Association in law or equity, the Association may levy against any Owner or its Tenant a fine not in excess of \$100.00 per violation, or the highest fine permitted under the Condominium Act, for each day that such Owner or Tenant continues to violate any of the requirements of the Property Documents after the Association has given notice of the violation and an opportunity for hearing to the Unit Owner or Tenant. A fine may be levied on the basis of each day of a continuing violation with a single notice and opportunity for hearing to the Unit Owner or Tenant before a committee of other unit owners who are not directors, agents or employees of the Association, nor persons residing in the household of a director, agent or employee of the Association, provided that no such fine shall in the aggregate exceed \$1,000.00, unless the Condominium Act is revised to permit fines in excess of said amount and the Board of Directors approves such an increase. In assessing the fine, the Association shall follow the following procedure:

(1) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

- (a) a statement of the date, time and place of hearing;
- (b) a statement of the provision of the Declaration, Articles, Bylaws or association rules which have been violated; and
- (c) a short and plain statement of the matters asserted by the Association.

(2) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument to all issues involved and shall have the opportunity at the hearing to review, challenge and respond to any material considered by the Association.

- (3) The hearing must be held before a committee of other Members.
- (4) If the Committee does not agree with the fine, the fine may not be levied.

- (5) The provisions of this section do not apply to unoccupied units.

VII. OFFICIAL RECORDS

From the inception of the Association, the Association shall maintain each of the following items, when applicable, which shall constitute the Official Records of the Association:

- (1) A copy of the plans, permits, warranties and other items provided by the Developer pursuant to § 718.301(4).

- (2) A photocopy of the recorded Declaration of Condominium of the Condominium and of each amendment to the Declaration.

- (3) A photocopy of the recorded Bylaws of the Association and of each amendment to the Bylaws.

- (4) A certified copy of the Articles of incorporation of the Association, or other documents creating the association and of each amendment thereto.

- (5) A copy of the current rules and regulations of the Association.

- (6) A book or books which contain the minutes of all meetings of the Association, of the Board of Directors, and of Members, which minutes shall be retained for a period of not less than seven (7) years.

- (7) A current roster of all Members and their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. The Association shall also maintain the electronic mailing addresses and the numbers designated by Members for receiving notice sent by electronic transmission of those Members consenting to receive notice by electronic transmission. The electronic mailing addresses and numbers provided by Members to receive notice by electronic transmission shall be removed from Association records when consent to receive notice by electronic transmission is revoked. However, the Association is not liable for an erroneous disclosure of the electronic mail address or the number for receiving electronic transmission of notices.

- (8) All current insurance policies of the Association and the Condominium.

- (9) A current copy of any management agreement, lease or other contract to which the Association is a party or under which the Association or the Members have an obligation or responsibility.

- (10) Any bills of sale or transfer documents for any property owned by the Association.

- (11) Accounting records for the Association. All accounting records shall be maintained for a period of not less than seven (7) years. The accounting records shall include, but are not limited to:

- (a) Accurate, itemized and detailed records of all receipts and expenditures;
- (b) A current account and a monthly, bimonthly or quarterly statement of the account for each Unit designating the name of the Member, the due date and amount of each assessment, the amount paid upon the account, and the balance due;
- (c) All audits, reviews, accounting statements, and financial reports of the association or condominium;
- (d) All contracts for work to be performed. Bids for work to be performed shall also be considered official records.

(12) Ballots, sign-in sheets, voting proxies, and all other papers relating to voting by Members, which shall be maintained for a period of one (1) year from the date of the election, vote or meeting to which the document relates.

(13) Any rental records, when the Association is acting as agent for the rental of condominium units.

(14) A copy of the current question and answer sheet as described by § 718.504.

(15) Adequate number of copies of the year-end financial information required by § 718.111 to be maintained on the Condominium Property.

(16) All other records of the Association not specifically included in the foregoing which are related to the operation of the Association.

(17) A copy of the inspection report as provided for in § 718.301(4)(p).

The Official Records of the Association shall be maintained within the state for at least seven (7) years. The records of the Association shall be made available to a Member within forty-five (45) miles of the Condominium Property or within the county in which the Condominium Property is located within five (5) working days after receipt of written request by the board or its designee. This paragraph may be complied with by having a copy of the official records of the Association available for inspection or copying on the Condominium Property.

The Official Records of the Association are open to inspection by any Member or the authorized representative of such Member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Member. The Association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspections and copying. The failure of an Association to provide the records within ten (10) working days after receipt of a written request shall create a rebuttable presumption that the Association willfully failed to comply with this paragraph. A Member who is denied access to Official Records is entitled to the actual damages or minimum damage for the Association's willful failure to comply as provided in the Act or the rules and

regulation issued in connection therewith. The Association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, Bylaws and Rules, and all amendments to each of the foregoing, as well as the question and answer sheet provided for in § 718.504 on the Condominium Property to ensure their availability to Members and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same. Notwithstanding the foregoing, the social security numbers, driver's license numbers, credit card numbers, and other personal identifying information of a Member or any other person shall not be accessible to Members.

VIII. PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or the Bylaws.

IX. ARBITRATION

In the event there are internal disputes among Members, association or their agents and assigns arising from or in connection with the operation of the Condominium, the parties shall enter into mandatory non-binding arbitration pursuant to the rules and regulations of the Division of Florida Land Sales, Condominiums and Mobile Homes or if there are no promulgated rules and regulations of the Division of Florida Land Sales, Condominiums and Mobile Homes, then pursuant to the Rules and Regulations of the American Arbitration Association.

X. AMENDMENTS TO BYLAWS

These Bylaws may be amended by the vote of a majority of the Board of Directors at a duly called regular or special meeting at which a quorum is present.

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

Such amendment or amendments to these Bylaws shall be transcribed, certified by the Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Duval County, Florida as an amendment to the Declaration of Condominium within thirty (30) days from the date on which any amendment or amendments have been affirmatively approved by the Board of Directors.

Notwithstanding the foregoing provisions of this Article X, no amendment to these Bylaws which shall abridge, amend or alter the right of Developer to designate members of the

Board of Directors of the Association, as provided in Article IV hereof or any other right of the Developer provided herein or in the Articles of Incorporation, may be adopted to become effective without the prior written consent of Developer.

Provided, however, that no amendment shall discriminate against any Member or group of Units unless the Members so affected shall consent. No amendment shall be made that is in conflict with the Condominium Act, the Declaration of Condominium, or the Articles of Incorporation.

XI. INCORPORATION OF ACT

All provisions of §718.112(2)(a) through (m), Florida Statutes, are deemed to be included these bylaws. To the extent that any such provisions of the Act are in conflict with any of the terms of these Bylaws, the provisions of the Act shall control.

The foregoing were adopted as the Bylaws of Aquilus III Condominium Association, Inc., under the laws of the State of Florida, at the first meeting of the Board of Directors on the ____ day of _____, 2009.

APPROVED:

