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**DECLARATION OF CONDOMINIUM
 IL VILLAGIO CONDOMINIUM ONE**

Deerwood Development, L.L.C., a Florida limited liability company (the "Developer"), does hereby declare as follows:

1. Introduction and Submission:

1.1 The Land. The Developer owns the fee simple title to that certain land located in Duval County, Florida, as more particularly described in Exhibit "A" hereto (the "Land").

1.2 Submission Statement. The Developer hereby submits the land and, except as otherwise provided herein, all improvements erected or to be erected thereon, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, less and except all public utility installations, and other personal property or equipment, if any, not owned by the Developer to the condominium form of ownership and use in the manner provided by the Florida Condominium Act as it exists on the date hereof.

1.3 Name. The name by which this condominium is to be identified is: Il Villagio Condominium One (herein called the "Condominium").

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

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

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

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

2.4 "Association" means Il Villagio Neighborhood I Condominium Association, Inc., a Florida corporation not for profit, the entity responsible for the operation of the Condominium.

2.5 "Il Villagio Neighborhood I," or "Neighborhood I" will be a multicondominium real estate community, which Developer intends will contain one or more condominiums, all of which will be operated by the Association. It refers to the entire group of dwelling units which the Developer intends to construct upon the Il Villagio Neighborhood Lands.

2.6 "Il Villagio Neighborhood Lands" means and refers to the land upon which the Il Villagio Neighborhood is to be located and constructed. With the exception of this Condominium and any other improvements within the Neighborhood as of the date of the recording of this Declaration, the Neighborhood is a projected plan of development only and nothing herein contained shall be construed as making it obligatory upon the Developer to construct said Neighborhood or to construct said Neighborhood in accordance with any particular plan.



- 2.7 "Association Property" means that property, real and personal, which is owned or leased by, or is dedicated by a recorded plat to the Association for the benefit of its members.
- 2.8 "Board of Administration" means the board of directors or other representative body which is responsible for administration of the Association.
- 2.9 "Building" means the structure or structures in which the Units are located on the Condominium Property.
- 2.10 "Bylaws" means the Bylaws of the Association.
- 2.11 "Committee" means a group of Board members, Unit Owners, or Board members and Unit Owners appointed by the Board or a member of the Board to make recommendations to the Board regarding the Association budget or take action on behalf of the Board.
- 2.12 "Common Elements" shall mean and includes:
- (a) The portions of the Condominium Property which are not included within the Units;
 - (b) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Elements;
 - (c) An easement of support in every portion of the Unit which contributes to the support of a Building;
 - (d) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements;
 - (e) Any other parts of the Condominium Property designated as Common Elements in this Declaration;
 - (f) Common Elements includes Limited Common Elements unless the context otherwise requires.
- 2.13 "Common Expenses" means the expenses of administration, maintenance, operation, repair, replacement, or protection of the Common Elements and Association Property, costs of carrying out the powers and duties of the Association and any other expense, whether or not included in the foregoing designated as common expense by the Condominium Act, or this Declaration, the Articles or the Bylaws.
- 2.14 "Common Surplus" means the excess of all receipts of the Association collected on behalf of the Condominium, (including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements) over the Common Expenses.
- 2.15 "Community Association" means Il Villagio Community Association, Inc., a Florida corporation not for profit, being the entity responsible for the administration of the Community Covenants.
- 2.16 "Community Covenants" mean the Declaration of Covenants, Restrictions and Easements for Il Villagio, recorded 10/12/04 under Clerk's File No. 2004337340 in Official Records Book 12091, at Page 31-92, of the Public Records of the County, and when the context permits, shall also mean the Articles of Incorporation and Bylaws of the Community Association, all as now or hereafter amended, modified or supplemented.

- 2.17 "Condominium Parcel" means a Unit together with the undivided share in the Common Elements which is appurtenant to the Unit.
- 2.18 "Condominium Property" means the Land and the personal property that are subjected hereunder to condominium ownership, whether or not contiguous, and all improvements on the Land, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.
- 2.19 "County" shall mean Duval County, Florida.
- 2.20 "Declaration" or "Declaration of Condominium" means this instrument or instruments by which the Condominium will be created, as they are from time to time amended.
- 2.21 "Developer" means Deerwood Development, L.L.C., a Florida limited liability company, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign only a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of the Condominium. In the event of such partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of the Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.
- 2.22 "Dispute", for purposes of Section 19.1, means any disagreement between two or more parties that involves: (a) the authority of the Board, under any law or under this Declaration, the Articles or Bylaws to (i) require any Owner to take any action, or not to take any action, involving that Owner's Unit or the appurtenances thereto; or (ii) alter or add to a common area or Common Element; or (b) the failure of the Association, when required by law or this Declaration, the Articles of Bylaws to: (i) properly conduct elections; (ii) give adequate notice of meetings or other actions; (iii) properly conduct meetings; or (iv) allow inspection of books and records. "Dispute" shall not include any disagreement that primarily involves title to any Unit or Common Element; the interpretation or enforcement of any warranty; or the levy of a fee or Assessment or the collection of an Assessment levied against a party.
- 2.23 "Division" means the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation, State of Florida, or its successor.
- 2.24 "First Mortgagee" or "Mortgagee" means the owner or holder of a first mortgage encumbering a Condominium Parcel.
- 2.25 "Improvements" mean all structures and artificial changes to the natural environment (exclusive of landscaping) on the Condominium Property, including but not limited to, a Building.
- 2.26 "Institutional First Mortgagee" or "Mortgagee" means the Developer or a generally recognized and duly authorized institutional lender such as a bank, savings and loan association, insurance company, mortgage company, real estate or mortgage investment trust, which owns or holds a first mortgage encumbering a Condominium Parcel. "Mortgagee" also includes the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration and Federal Housing Administration or any other lender, or its loan correspondent or agency of the United States Government holding, guaranteeing or insuring a first mortgage on a Condominium Parcel.

- 2.27 "Limited Common Elements" mean those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units, as specified in this Declaration.
- 2.28 "Primary Institutional First Mortgage" means the Institutional First Mortgage which owns at any time first mortgages securing a greater aggregate indebtedness than is owed to any other Institutional First Mortgage.
- 2.29 "Special Assessment" means any assessment levied against Unit Owners other than the Assessment required by a budget adopted annually.
- 2.30 "Unit" means a part of the Condominium Property which is subject to exclusive ownership. Reference in this Declaration to "Units" shall mean all of the Units contained in the Condominium, unless the context is to the contrary or it is otherwise provided to the contrary.
- 2.31 "Unit Owner", or "Owner of a Unit" means a record owner of legal title to a Condominium Parcel as shown by the real estate records in the office of the Clerk of Duval County, Florida, whether such Owner be the Developer, one or more persons, firms, associations, corporations or other legal entities. "Owner" shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.
- 2.32 "Utility installations" or "Utility services" shall include, but not be limited to, electric power, water, air conditioning, MATV and CATV systems and garbage and sewage disposal.
- 2.33 "Voting Certificate" means a document which designates one of the record title owners, or the corporate partnership, or entity representative, who is authorized to vote on behalf of a Unit that is owned by more than one owner or by any entity.
- 2.34 "Voting Interests" means the voting rights distributed to the Association members pursuant to the Act and Section 5 of this Declaration. The voting interests of the Association are the voting rights distributed to the Unit Owners in all condominiums operated by the Association. On matters related to a specific condominium, the voting interests of the condominium are the voting rights distributed to the unit owners in that condominium.

3. Description of Condominium.

- 3.1 Identification of Units. The Land has or will have constructed thereon one Building containing 15 Units. Each such Unit is identified by a separate numerical or alpha-numerical designation. The designation of each such Unit is set forth on Exhibit "B" annexed hereto. Exhibit "B" consists of a survey of the Land, a graphic description of the Improvements located thereon, including, but not limited to, the Buildings in which the Units are located and a plot plan thereof. Said Exhibit "B" together with this Declaration, is sufficient in detail to identify the Common Elements and each Unit and their relative locations and approximate dimensions. There shall pass with a Unit, as appurtenances thereto, (a) an undivided share in the Common Elements and Common Surplus; (b) the exclusive right to use such portion of the Common Elements as may be provided in this Declaration; (c) an exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, provided that an easement in airspace which is vacated shall be terminated automatically; (d) membership in the Association designated in this Declaration with the full voting rights appertaining thereto and (e) other appurtenances as may be provided in this Declaration. Time-share estates will not be created with respect to any Unit in the Condominium.

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

- (a) Upper and lower boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:
 - (i) Upper boundaries. The horizontal plane(s) of the interior undecorated finished lower surface of the ceiling.
 - (ii) Lower boundaries. The horizontal plane of the interior undecorated finished upper surface of the floor.
- (b) Perimetrical boundaries. The perimetrical boundaries of the Unit shall be the vertical planes of the interior undecorated finished surface of the walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries.
- (c) Apertures. Where there are apertures in any boundary, including, but not limited to, windows, doors, conversation pits and skylights, such boundaries shall be extended to include the interior undecorated finished surfaces of such apertures, including all frameworks thereof. Exterior surfaces made of glass or other transparent material, and all framing and casings therefor, shall be included in the boundaries of the Unit.
- (d) Exceptions. In cases not specifically covered above, and/or in any case of conflict or ambiguity, the survey of the Units set forth as Exhibit "B" hereto shall control in determining the boundaries of a Unit.

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

- (a) Balconies. Balconies abutting a Unit shall be for the exclusive use of the Unit Owner owning such abutting Unit. The Unit Owner shall be responsible for maintenance and care of the balcony, including, without limitation, all wiring, electric outlets, lighting fixtures and screening. A Unit Owner shall not enclose the exterior balconies, without the prior written approval of the Board of Administration and the Architectural Control and Maintenance Standards Committee. The Architectural Control and Maintenance Standards Committee shall be responsible for approving the design, structural integrity, aesthetic appeal and construction details, or otherwise, which approval may be unreasonably withheld. The Board of Administration shall determine whether or not the enclosure, if approved by the Committee aforescribed, will be installed.
- (b) Air Conditioner Condensing Unit. Each Unit Owner shall be responsible for the maintenance and care of the air conditioner condensing unit.
- (c) Other. Any other portion of the Common Elements which, by its nature, cannot serve all Units but serves one Unit or more than one Unit (i.e. any hallway serving a single Unit or more than one Unit owned by the same Owner) shall be deemed a Limited Common Element of the Unit(s) served and shall be maintained by said Owner. In the event of any doubt or dispute as to whether any portion of the Common Elements constitutes a Limited Common Element or in the event of any question as to which Units are served thereby, a decision shall be made by a majority vote of the Board of Directors of the Association and shall be binding and conclusive when so made. To the extent of any area deemed a Limited

Common Elements hereunder, the Owner of the Units(s) to which the Limited Common Element is appurtenant shall have the right to alter same as if the Limited Common Elements were part of the Owner's Unit, rather than as required for alteration of Common Elements. Notwithstanding the foregoing, the designation of same as a Limited Common Element hereunder shall not allow the Owner of the Unit to which the Limited Common Element is appurtenant to preclude passage through such areas as may be needed from time to time for emergency ingress and egress, and for the maintenance, repair, replacement, alteration and/or operation of the elevators, life safety systems, mechanical equipment and/or other Common Elements which most conveniently service (in the sole determination of the Board) such areas (and an easement is hereby reserved for such purposes).

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

- (a) Support. Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.
- (b) Utility and Other Services; Drainage. Easements are reserved under, through and over the Condominium Property as may be required from time to time for utility and other services and drainage in order to serve the Condominium. A Unit Owner shall do nothing within or outside his Unit that interferes with or impairs, or may interfere with or impair, the provision of such utility or other services or drainage facilities or the use of these easements. The Board of Administration of the Association or its designee shall inspect same, to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits and other utility, service and drainage facilities and Common Elements contained in the Unit or elsewhere in the Condominium Property, and to remove any Improvements interfering with or impairing such facilities or easements herein reserved; provided the Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for maintenance, repair or replacement of any Common Elements or any portion of a Unit to be maintained by the Association pursuant to this Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units.
- (c) Encroachments. If (a) any portion of the Common Elements encroaches upon any Unit; (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements; or (c) any encroachment shall hereafter occur as a result of (i) construction of the Improvements; (ii) settling or shifting of the Improvements; (iii) any alteration or repair to the Common Elements made by or with the consent of the Association, or (iv) any repair or restoration of the Improvements (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Improvements shall stand.
- (d) Ingress and Egress. A non-exclusive easement in favor of each Unit Owner and resident, their guests and invitees, and for each member of the Association and other neighborhood associations and the Community Association shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks and other portions of the Common Elements and/or Association Property as from time to time may be intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the Common

Elements as from time to time may be paved and intended for such purposes. Developer hereby grants to delivery, pick-up and fire protection services, police and other authorities of the law, United States carriers, representatives of electrical, telephone and other utilities authorized by Developer to service the Condominium and representatives of cable television, and to such other persons as Developer from time-to-time may designate, the non-exclusive, perpetual right of ingress and egress over, through and across such portions of the Common Elements and/or Association Property for the purposes of performing their authorized services and investigation. Such easements shall survive any termination of this Declaration. None of the easements specified in this Subparagraph (d) shall be encumbered by any leasehold or lien other than those on the Condominium Parcels. Any such lien encumbering such easements (other than those on Condominium Parcels) shall automatically be subordinate to, the rights of Unit Owners with respect to such easements. In addition, there is hereby created a non-exclusive easement in favor of all of the Owners of Units, residents and their guests and invitees in the Il Villagio Community for ingress and egress over portions of the Common Elements, if any, designated for vehicular traffic so as to provide reasonable access to the interior roads built and to be built within the Community which roads are owned or to be owned by the Association.

- (e) **Construction Maintenance.** The Developer (including its affiliates and its or their designees, contractors, successors and assigns) shall have the right, in its and their sole discretion, from time to time, to enter the Condominium Property and take all other action necessary or convenient for the purpose of completing the construction thereof, and/or any portion of the Neighborhood, or any part thereof, or any improvements, structures, facilities or Units located or to be located adjacent thereto and for repair, replacement and maintenance or warranty purposes or where the Developer, in its sole discretion, determines that it is required or desires to do so. The Association (and its designees, contractors, subcontractors, employees) shall have the right to have access to each Unit from time to time during reasonable hours as may be necessary for pest control purposes and for the maintenance, repair or replacement of any Common Elements or any portion of a Unit, if any, to be maintained by the Association, or at any time and by force, if necessary, to prevent damage to the Common Elements, the Association Property or to a Unit or Units, including, without limitation, (but without obligation or duty) to close hurricane shutters in the event of the issuance of a storm watch or storm warning.
- (f) **Sales Activity.** For as long as there are any unsold Units, and for as long as the Developer, its designees, successors and assigns, shall have the right to use such Units and parts of the Common Elements for model apartments and sales offices, to show model apartments and the Common Elements to prospective purchasers and tenants of the Units, and to erect on the Condominium Property and Association Property signs and other promotional material to advertise Units and certain Limited Common Elements for sale or lease. Developer reserves the right to use any units not closed as temporary accommodations for, but not limited to, prospective purchasers. Such temporary accommodations shall not be considered a leasing of the Unit and shall not be subject to Section 18 hereof. No charge shall be made to Developer for such use.
- (g) **Warranty.** For as long as Developer remains liable under any warranty, whether statutory, express or implied, for act of omission of Developer in the development, construction, sale and marketing of the Condominium, then Developer and its contractors, agents and designees shall have the right, in Developer's sole discretion and from time to time and without

requiring prior approval of the Association and/or any Unit Owner (provided, however, that absent an emergency situation, 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. Nothing herein shall be deemed or construed as the Developer making or offering any warranty, all of which are disclaimed (except to the extent same may not be) as set forth in Section 27.8.

- (h) Additional Easements. The Association, on its and on behalf of all Unit Owners (each of whom hereby appoints the Developer and the Association as their attorney-in-fact for this purpose), each shall have the right to grant such additional electric, gas, other utility or service or other easements, or relocate any existing easements or drainage facilities in any portion of the Condominium Property and Association Property, and to grant access easements or relocate any existing access easements in any portion of the Condominium Property and Association Property, as the Association shall deem necessary or desirable for the proper operations and maintenance of the Improvements, or any portion thereof, or for the general health or welfare of the Unit Owners, or for the purpose of carrying out any provisions of this Declaration or otherwise, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Units for dwelling purposes. The Association has the authority without the joinder of any Unit Owners, to grant, modify or move any easement, subject to the provisions of the easement, if the easement constitutes part of or crosses the Common Elements and Association Property.

4. Restraint Upon Separation and Partition of Common Elements. The undivided share in the Common Elements and Common Surplus which is appurtenant to a Unit, an exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, membership in the Association designated in this Declaration, with the full voting rights appertaining thereto, and except as provided herein, the exclusive right to use all appropriate appurtenant Limited Common Elements, shall not be separated from and shall pass with the title to the Unit, whether or not separately described. All of these aforementioned appurtenances to a Unit cannot be conveyed or encumbered except together with the Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements, the Condominium Property, or any part thereof, shall lie, except as provided herein with respect to termination of the Condominium.

5. Ownership of Common Elements and Common Surplus and Share of Common Expenses.

- 5.1 Percentage Ownership and Shares of Condominium. The undivided percentage interest in the Common Elements and Common Surplus, and the percentage share of the Common Expenses appurtenant to each Unit is set forth in Exhibit "C" annexed hereto, which percentage is based upon the total square footage of each Unit in uniform relationship to the total square footage of each Unit in the Condominium.

- 5.2 Percentage Ownership and Shares of Association. The share of liability for the Common Expenses of the Association and of ownership of the Common Surplus of the Association and Association Property allocated to each Unit in the Condominium and the other condominiums, if created, to be operated by the Association shall be equal.

5.3 Voting. Each Unit in the Condominium and all the other unit owners in the other condominiums, if created, shall be entitled to one vote to be cast by its Owner in accordance with the provisions of the Bylaws and Articles. Each Unit Owner in the Condominium and all the other unit owners in the other condominiums, if created, shall be a member of the Association. Each Unit Owner in the Condominium and all the other unit owners in the other condominiums, if created, will have the right to personally cast his or her own vote in all matters voted upon.

6. Amendments. Except as elsewhere provided herein, amendments may be effected as follows:

6.1 By the Association. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors of the Association or by not less than one-third of the Unit Owners. Except as elsewhere provided, approvals must be by an affirmative vote representing in excess of 75 percent of the voting interests of all Unit Owners. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting.

6.2 Material Amendments. Unless otherwise provided specifically to the contrary in this Declaration, no amendment shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to any Unit, permit timeshare estates, or change the percentage by which the Owner of a Unit shares the Common Expenses and owns the Common Elements and Common Surplus (any such change or alteration being a "Material Amendment"), unless the record Owner(s) thereof, and all record owners of mortgages or other liens thereon, shall join in the execution of the amendment and the amendment is otherwise approved by not less than a majority of the voting interests of Unit Owners. The acquisition of property by the Association, material alterations or substantial additions to such property by the Association and installation, replacement and maintenance of approved hurricane shutters, if in accordance with the provisions of this Declaration, shall not be deemed to constitute a material alteration or modification of the appurtenances of the Units, and accordingly, shall not constitute a Material Amendment.

6.3 Mortgagee's Consent. No Amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to mortgages of Units without the consent of said mortgagees in each instance; nor shall an amendment make any change in the sections hereof entitled "Insurance", "Reconstruction or Repair after Casualty", or "Condemnation" unless the Primary Institutional First Mortgage shall join in the amendment. Except as specifically provided herein or if required by FNMA or FHLMC, the consent and/or joinder of any lien or mortgage holder on a Unit shall not be required for the adoption of an amendment to this Declaration and, whenever the consent or joinder of a lien or mortgage holder is required, such consent or joinder shall not be unreasonably withheld.

6.4 By The Developer. Notwithstanding anything herein contained to the contrary, during the time the Developer has the right to elect a majority of the Board of Directors of the Association, the Declaration, the Articles of Incorporation or the Bylaws of the Association may be amended by the Developer alone, without requiring the consent of any other party, to effect any change whatsoever, except for an amendment: (i) to permit time-share estates (which must be approved, if at all, in the manner provided in Section 6.2 above); or (ii) to effect a "Material Amendment", which must be approved, if at all, in the manner set forth in Section 6.2 above. No amendment may be adopted which would eliminate, modify, prejudice, abridge or

otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer, without the consent of the Developer in each instance.

- 6.5 Execution and Recording. An Amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association, executed either by the President of the Association or a majority of the members of the Board of Directors which shall include recording data identifying the Declaration and shall be executed with the same formalities required for the execution of a deed. An amendment of the Declaration is effective when properly recorded in the public records of the County. No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Declaration. See provision...for present text." Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise properly adopted amendment.

7. Maintenance and Repairs.

- 7.1 Units. All maintenance, repairs and replacements of, in or to any Unit and Limited Common Elements appurtenant thereto, whether structural or nonstructural, ordinary or extraordinary, including, without limitation, maintenance, repair and replacement of screens, windows, the interior side of the entrance door and all other doors within or affording access to a Unit, and the electrical, plumbing, heating and air-conditioning equipment, fixtures and outlets, if any, within the Unit or the Limited Common Elements or belonging to the Unit Owner, shall be performed by the Owner of such Unit at the Unit Owner's sole cost and expense, except as otherwise expressly provided to the contrary herein, and shall be in accordance with the original plans and specifications therefor or as otherwise directed by the Association and/or the Architectural Control and Maintenance Standards Committee, if applicable. Additionally, each Unit Owner shall pay all charges for utility services metered directly to his Unit.
- 7.2 Common Elements and Association Property. Except to the extent (i) expressly provided to the contrary herein, or (ii) proceeds of insurance are made available therefor, all maintenance, repairs and replacements in or to the Common Elements (other than Limited Common Elements as provided above) and Association Property shall be performed by the Association and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense, except to the extent arising from or necessitated by the negligence, misuse or neglect of specific Unit Owners, in which case such cost and expense shall be paid solely by such Unit Owners.
- 7.3 Specific Unit Owner Responsibility. The obligation to maintain and repair the following specific items shall be the responsibility of the Unit Owners, individually, and not the Association, without regard to whether such items are included within the boundaries of the Units or are Limited Common Elements:
- (a) where a Limited Common Element consists of a balcony, the Unit Owner who has the right to the exclusive use of said balcony, shall be responsible for the maintenance, care and preservation of the paint and surface of the walls and/or fences, including floor and ceiling, within said area, if any, and the fixed and/or sliding glass door(s) in the entrance way(s) or other portions of said area, if any, and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs, if any.

- (b) Storage space and/or utility space, if applicable.
- (c) Air conditioner condensing unit, if applicable.

7.4 Association's Right of Access to Units. The Association has the irrevocable right of access to each Unit during reasonable hours when necessary for the maintenance, repair, or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to this Declaration, or for making emergency repairs which are necessary to prevent damage to the Common Elements or to another Unit or Units.

7.5 Hurricane Shutter Specifications. The Board shall adopt hurricane shutter specifications for the Buildings, which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building code. Notwithstanding any provision to the contrary in this Declaration, if approval is required hereunder, the Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board. The Board may, subject to (a) the provisions of the Act that deal with contracts for the purchase, lease or rental of materials or equipment to be used by, or for contracts for services to be provided to the Association, and (b) the approval of a majority of voting interests of the Condominium, install hurricane shutters and may maintain, repair, or replace such approved hurricane shutters, whether on or within the Common Elements, Limited Common Elements, Units, or Association Property. However, where laminated glass or window film architecturally designed to function as hurricane protection which complies with the applicable building code has been installed, the Board may not install hurricane shutters. The Board may operate shutters installed pursuant to this Section 7.5 without permission of the Unit Owners only where such operation is necessary to preserve and protect the Condominium Property and Association Property. The installation, replacement, operation, repair and maintenance of such shutters in accordance with the procedures set forth herein shall not be deemed a material alteration to the Common Elements or Association Property.

7.6 Miscellaneous. All work performed on the Condominium Property or any portion thereof shall be in compliance with all applicable governmental building and zoning requirements. All plumbing and electrical maintenance, repairs, and replacements shall be made only by plumbers or electricians duly licensed and qualified to perform such services.

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

8.1 Additions, Alterations or Improvements by the Association. Whenever, in the judgment of the Board of Administration, the Common Elements or any part thereof shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in excess of 15 percent of the then existing estimated operating budget for the Condominium in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by a majority of the voting interests of the Association represented at a meeting of the Association at which a quorum is attained of the Unit Owners of the Condominium. Any such additions, alterations, or improvements to such Common Elements or any part thereof costing in the aggregate of 15 percent or less of the then existing estimated operating budget for the Condominium in a calendar year may be made by the Association without approval of the Unit Owners. The cost and expense of any such additions, alterations or improvements to such Common Elements shall constitute a part of the Common Expenses and shall be assessed to the Unit Owners as Common Expenses.

- 8.2 Additions, Alterations or Improvements by Developer. The Developer, provided Developer is the owner of all of the Units in a Building (or Buildings, as the case may be) in the Condominium, shall have the right, without the vote or consent of the Association or Unit Owners, to change all or any part of the front, rear or side elevations of the Building (or Buildings, as the case may be); and, provided further that in connection with any changes, Developer shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction. Until the Developer turns over control of the Board of Administration to Unit Owners other than the Developer, the Developer shall have the additional right, without the consent or approval of the Board of Administration or other Unit Owners to provide additional and/or expand the recreational facilities.

**RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED
WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.**

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

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

A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such owner and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, all other unit owners harmless from any liability or damage to the Condominium Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance from and after that date of installation or construction thereof as may be required by the Association.

- 9.2 Additions, Alterations or Improvements by Developer. The foregoing restrictions of this Section 9 shall not apply to Developer-owned Units. The Developer shall have the additional right, without the consent or approval of the Board of Administration or other Unit Owners, to make alterations, additions or improvements, structural and nonstructural, interior and exterior, ordinary and extraordinary, in, to and upon any Unit owned by it (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the Improvements). Any amendment to this Declaration required by a change made by the Developer pursuant to this Section 9.2 shall be adopted in accordance with Section 6 and Section 10 of this Declaration.

10. Changes in Developer-owned Units. The Developer shall have the right, without the vote or consent of the Association or Unit Owners, to (i) make alterations, additions or improvements in, to and upon Units owned by the Developer, whether structural or nonstructural, interior or exterior, ordinary or extraordinary (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the improvements) and (ii) change the layout or number of rooms in any Developer owned Units. The Developer shall have the further right, without the consent or approval of the Board of Administration or other Unit Owners, to make such alterations in, to or upon any Developer owned Units in

order to comply with design and construction guidelines adopted under applicable federal, state and local laws, ordinances, rules and regulations with respect to accessibility for handicapped persons. In making the above alterations, additions and improvements to the Units, the Developer may relocate or alter Common Elements within to such Units, provided that such relocation or alteration does not materially adversely affect the market value or ordinary use of Units owned by Unit Owners other than the Developer. Any amendments to this Declaration required by changes of the Developer made pursuant to this Section 10, shall be effected by the Developer alone pursuant to Section 6.4, without the vote or consent of the Association or Unit Owners (or their mortgagees) required, except to the extent that any of same constitutes a Material Amendment, in which event, the amendment must be approved as set forth in Section 6.2 above. Without limiting the generality of Section 6.4 hereof, the provisions of this Section may not be added to, amended or deleted without the prior written consent of the Developer.

11. Operation of the Condominium by the Association; Powers and Duties. The Association shall be the entity responsible for the operation of the Condominium. The powers and duties of the Association shall include those set forth in the Articles and Bylaws of the Association (respectively, Exhibits "D" and "E" annexed hereto), as amended from time to time. In addition, the Association shall have all the powers and duties set forth in the Act, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation:
- (a) The irrevocable right of access to each Unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to this Declaration or as necessary to prevent damage to the Common Elements or to any other Unit or Units.
 - (b) The power to make and collect Assessments and Special Assessments and other charges and surcharges against Unit Owners and to lease, maintain, repair and replace the Common Elements.
 - (c) The power to charge and collect a use fee from a Unit Owner for the exclusive or nonexclusive use of all or a portion of the Common Elements or Association Property.
 - (d) The duty to maintain accounting records according to good accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times.
 - (e) To contract for the management and maintenance of the Condominium Property and the Association Property, and to authorize a management agent (which may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments and Special Assessments, preparation of records, enforcement of rules and maintenance, repairs and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Act, including but not limited to the making of Assessments, Special Assessments, promulgation of rules and execution of contracts on behalf of the Association.
 - (f) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security mortgages and security interests in property the Association, provided that such actions are by a majority of the entire membership of the Directors and a majority of the voting interests of Owners represented at a meeting at which a quorum attained, or by such greater percentage of the Board or voting interests of the Unit Owners as may be specified in the Bylaws with respect to certain borrowing.

- (g) Subsequent to the recording of this Declaration, the Association, when authorized by a majority of the voting interests of the Units represented at a meeting at which a quorum has been attained, shall have the power to acquire and enter into agreements for the acquisition of fee interests, leaseholds, memberships and other possessory or use interests in lands or facilities, including, but not limited to, country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to the lands of the Condominium intended to provide for the use or benefit of the Unit Owners (whether or not on an exclusive basis). The expenses of ownership (including the expense of making and carrying any mortgage related to such ownership), rental, membership fees, operation, replacements and other expenses and undertakings in connection therewith shall be Common Expenses.
- (h) The power to adopt and amend the rules and regulations covering the details of the operation and use of the Condominium Property.
- (i) The power to levy reasonable fines against a Unit for failure of the Owner or its occupant, licensee or invitee to comply with any provision of this Declaration, the Bylaws or the rules and regulations.
- (j) The power to operate more than one condominium and to participate in a multicondominium. The manner or formula by which the assets, liabilities, Common Surplus, and Common Expenses of the Association will be apportioned among the units within the condominiums operated by the Association is set forth in Section 5 of this Declaration. There will be no unit owners in any other condominium, or any other persons, who will or may have the right to use recreational areas or any other facilities or amenities that are Common Elements of the Condominium. The interior roadway, certain landscaped areas and certain parking areas, all locations, areas, capacities, amounts, numbers and sizes shall be determined in the sole discretion of Developer, and are the commonly used facilities or amenities which Developer has committed to provide that will be owned by the Association but which are not included within any condominium operated by the Association. The Developer has reserved the right to add additional facilities or amenities in Section 8 of this Declaration and will do likewise in the prospectus for each condominium to be operated by the Association. The voting rights of the Unit Owners in the election of Directors and in other multicondominium Association affairs when a vote of the Owners is taken, is set forth in Section 5 of this Declaration. Each Unit Owner will have the right to personally cast his or her own vote in all matters voted upon.
- (k) The power to act as the collection agent on behalf, and at the request, of the Community Association for assessments due same from Unit Owners; provided, however, that any assessments so collected shall not be deemed Assessments or Common Expenses hereunder.
- (l) The power to execute all documents or consents, on behalf of all Unit Owners (and their mortgagees), required by all governmental and/or quasi-governmental agencies in connection with land use and development matters (including, without limitation, plats, waivers of plat, unities of title, covenants in lieu thereof, special taxing districts, etc.) and in that regard, each Owner, by acceptance of the deed to such Owner's Unit, and each mortgagee of a Unit Owner by acceptance of a lien on said Unit, appoints and designates the President of the Association, as such Owner's agent and attorney-in-fact to execute any and all such documents or consents.
- (m) All of the powers which a corporation not for profit in the State of Florida may exercise.

In the event of conflict between the powers and duties of the Association or otherwise, the Declaration shall take precedence over the Articles, Bylaws and applicable rules and regulations; the Articles shall take precedence over the

Bylaws and applicable rules and regulations; and the Bylaws shall take precedence over applicable rules and regulations, all as amended from time to time.

- 11.1 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair caused by any latent condition of the Condominium Property.
- 11.2 Restraint Upon Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.
- 11.3 Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for the Unit if at an Association meeting, unless the joinder of record owners is specifically required by the Declaration or by law.
- 11.4 Acts of the Association. Unless the approval or action of Unit Owners and/or a certain specific percentage of the Board of Administration of the Association is specifically required in this Declaration, the Articles or Bylaws of the Association, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Administration, without the consent of Unit Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.
12. Determination of the Common Expenses and Fixing of Assessments Therefor. The Board of Administration shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium, and allocate and assess such expenses among the Unit Owners in accordance with the provisions of this Declaration and the Bylaws. The Board of Administration shall advise all Unit Owners promptly in writing of the amount of the Assessment payable by each of them as determined by the Board of Administration as aforesaid and shall furnish copies of each budget, on which such Assessments are based, to all Unit Owners and (if requested in writing) to their respective mortgagees. The Common Expenses shall include the expenses of the operation, maintenance, repair, replacement or protection of the Common Elements and Association Property, or other commonly used facilities and services, and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles or Bylaws of the Association. Any budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of the Bylaws. The expense of installation, replacement, operation, repair and maintenance of hurricane shutters by the Board pursuant to Section 7.5 of this Declaration and the Act shall constitute a Common Expense and shall be collected as provided in this Section 12. A Unit Owner who has previously installed hurricane shutters in accordance with Section 7.5 of this Declaration or laminated glass architecturally designed to function as hurricane protection which complies with the applicable building code shall receive a credit equal to the pro rata portion of the assessed installation cost assigned to each Unit. However, such Unit Owner shall remain responsible for the pro rata share of expenses for hurricane shutters installed on Common Elements and Association Property by the Board pursuant to Section 7.5 of this Declaration and shall remain responsible for a pro rata share of the expense of the replacement, operation, repair and maintenance of such shutters. Additionally, the cost of a master antenna television system or duly franchised cable television service, if any, obtained pursuant to a bulk contract, shall be deemed to be a

Common Expense. The Board of Administration in determining the amount of the Assessments payable by the Unit Owners shall be authorized to include such costs in the estimated operating budget for the Condominium. Accordingly, the provisions contained in Section 13 of this Declaration with respect to the collection of Assessments shall be applicable to the costs for cable television services and auxiliary services.

13. Collection of Assessments and Special Assessments.

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

13.2 Default in Payment of Assessments or Special Assessments for Common Expenses. Assessments, Special Assessments and installments thereof not paid within ten days from the date when they are due shall bear interest at the highest rate allowable by law from the due date until paid. The Association may charge an administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25.00 or 5% of each installment of the Assessment (and Special Assessment to the extent allowed by law), for each delinquent installment that the payment is late. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent Assessment, (and/or Special Assessment, to the extent allowed by law). The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee shall neither be subject to the provisions of Florida's interest and usury laws nor the provisions of the Condominium Act dealing with the levy of fines against a Unit. The Association has a lien on each Condominium Parcel for any unpaid Assessments (and Special Assessments to the extent allowed by law) on such Parcel, with interest and for reasonable attorney's fees and costs incurred by the Association incident to the collection of the Assessments (and Special Assessments to the extent allowed by law) or enforcement of the lien. The lien is effective from and after recording a claim of lien in the Public Records of the County, stating the description of the Condominium Parcel, the name of the record owner, the name and address of the association, the amount due and the due dates. No such lien shall continue for a longer period than one year after the claim of lien has been recorded, unless within that time an action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid Assessments, Special Assessments to the extent allowed by law, interest, costs, and attorney's fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to entry of a final judgment of foreclosure. A claim of lien shall be signed and acknowledged by an officer or agent of the Association. Upon payment the person making the payment is entitled to a satisfaction of the lien. The Association may bring an action in its name to foreclose a lien for unpaid Assessments (and Special Assessments to the extent allowed by Law) in the manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments (and Special Assessments to the extent allowed by law) without waiving any claim of lien.

- 13.3 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least 30 days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments (and Special Assessments to the extent allowed by law). If this notice is not given at least 30 days before the foreclosure action is filed, and if the unpaid Assessments (and Special Assessments to the extent allowed by law), including those coming due after the claim of lien is recorded, and other sums permitted hereunder are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given and the court shall proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. If after diligent search and inquiry the Association cannot find the Unit Owner or a mailing address at which the Unit the Owner will receive the notice, the court may proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the Unit Owner records a Notice of Contest of Lien as provided in the Act and shall not apply if an action to foreclose a mortgage on the Unit is pending before any court if the Association's rights would be affected by such foreclosure, and if actual, constructive or substitute service of process has been made on the Unit Owner.
- 13.4 Appointment of Receiver to Collect Rental. If the Unit Owner remains in possession of the Unit and the claim of lien is foreclosed, the court in its discretion may require the Unit Owner to pay a reasonable rental for the Unit and the Association is entitled to the appointment of a receiver to collect the rent.
- 13.5 First Mortgagee. A Mortgagee or its successor or assignees who acquire title to a Unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid Assessments that became due prior to the Mortgagee's acquisition of title. However, the Mortgagee's liability is limited to the lesser of (a) the Unit's unpaid Common Expenses and Assessments which accrued or came due during the six months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or (b) one percent of the original mortgage debt. The provisions of this Section 13.5 shall not apply unless the Mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the Mortgagee. The person acquiring title shall pay the amount owed to the Association within 30 days after transfer of title. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the Parcel and proceed in the same manner as provided in this Section 13 for the collection of unpaid Assessments. If any unpaid share of Common Expenses or Assessments is extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure thereof, the unpaid share of Common Expenses or Assessments are Common Expenses collectible from all the Unit Owners.
- 13.6 Developer's Liability for Assessments. Except as provided in this Section 13.6 and Section 12, no Unit Owner other than the Developer as expressed below may be excused from the payment of his proportionate share of Common Expenses unless all Unit Owners are likewise proportionately excused from such payment. The Developer hereby guarantees to each Unit Owner during the first interval of the Guaranty Period that the Assessment for Common Expenses will not increase over \$75.84 for Units A-2001 and A-2005 per Unit per month; \$70.98 for Units B-2002, B-2003 and B-2004 per Unit per month; \$78.21 for Units C-2021 and C-2030 per Unit per month; \$69.69 for Units D-2022 and D-2029 per Unit per month and \$69.69 for Units E-2023, E-2024, E-2025, E-2026, E-2027 and E-2028 per Unit per month. The first interval shall commence on the recording of this

Declaration and end on the first day of the thirteenth calendar month following the month in which the closing of title to the first Unit occurs, or the date upon which the Developer shall cease to control the Association, in accordance with the provisions of the Bylaws, whichever is sooner (the "First Interval of the Guaranty Period"). Additionally, after the expiration of the First Interval of the Guaranty Period, the Developer shall extend its guarantee to each Unit Owner that the Assessment for Common Expenses will not increase over \$87.00 for Units A-2001 and A-2005 per Unit per month; \$81.00 for Units B-2002, B-2003 and B-2004 per Unit per month; \$89.00 for Units C-2021 and C-2030 per Unit per month; \$80.00 for Units D-2022 and D-2029 per Unit per month and \$80.00 for Units E-2023, E-2024, E-2025, E-2026, E-2027 and E-2028 per Unit per month during the period commencing on the second day of the thirteenth calendar month following the month in which the closing of title to the first Unit occurs, for a period of one year, or the date upon which the Developer shall cease to control the Association, whichever is sooner (the "Second Interval of the Guaranty Period"). The First Interval of the Guaranty Period and the Second Interval of the Guaranty Period are hereafter referred to as "Guaranty Period". Accordingly, in accordance with the provisions of Section 718.116 of the Condominium Act, the Developer shall be excused from the payment of its share of the Common Expenses which would have been assessed against Units owned by the Developer during the Guaranty Period. The Developer shall pay any amount of Common Expenses incurred during the Guaranty Period and not produced by the Assessments at the guaranteed level receivable from other Unit Owners (i.e., during the Guaranty Period, the Developer shall contribute an amount of money to the Association sufficient to eliminate any deficit between Assessments collectible from Unit Owners other than the Developer and the actual Common Expenses of the Condominium).

The Developer's financial obligation to the Association during the Guaranty Period is as follows: (a) the Developer shall pay the Common Expenses of the Condominium affected by the Developer's guarantee, including the funding of reserves as provided in the adopted annual budget of the Condominium, unless the reserves were waived, which exceed the regular periodic Assessments at the guaranteed level against all other Unit Owners in the Condominium and (b) the Developer shall pay the Common Expenses of the Association, including the funding of reserves as provided in the adopted annual budget of the Association, unless the reserves were waived, which are allocated to Units within the Condominium affected by the Developer's guarantee and which exceed the regular periodic Assessments against all other Unit Owners in the Condominium. Notwithstanding the foregoing, and as provided in Section 718.116(9)(a)(2) of the Act, in the event of an Extraordinary Financial Event (as hereinafter defined), the costs necessary to effect restoration shall be assessed against all Unit Owners owning units on the date of such natural disaster or Act of God, and their successors and assigns, including the Developer (with respect to Units owned by the Developer). As used in this subsection, an "Extraordinary Financial Event" shall mean a casualty loss affecting the Condominium and/or the Association Property resulting from a natural disaster or Act of God, which is not covered by insurance proceeds from the insurance maintained by the Association as required by Section 718.111(11)(a) of the Act.

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

13.8 Certificate of Unpaid Assessments. Within 15 days after receiving a written request from a Unit Owner, purchaser, or Institutional First Mortgagee, the

Association shall provide a certificate signed by an officer or agent of the Association stating all Assessments, Special Assessments and other moneys owed to the Association by the Unit Owner with respect to the Condominium Parcel.

- 13.9 Installments. Assessments or Special Assessments may be collected monthly or quarterly in advance, at the option of the Association, from time to time.
- 13.10 Special Assessments. The specific purpose or purposes of any Special Assessment approved in accordance with this Declaration, Articles, or Bylaws shall be set forth in a written notice of such Special Assessment sent or delivered to each unit Owner. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Unit Owners. However, upon completion of such specific purpose or purposes, any excess funds shall be considered Common Surplus.
14. Insurance. Insurance covering portions of the Condominium Property shall be governed by the following provisions:
- 14.1 Purchase, Custody and Payment.
- (a) Purchase. All insurance policies described herein covering portions of the Condominium Property shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Florida.
- (b) Approval. Each insurance policy, the agency and company issuing the policy and the Insurance Trustee (if appointed) hereinafter described, shall be subject to the reasonable approval of the Primary Institutional First Mortgagee, upon reasonable notice to the Association, which approval shall not be unreasonably withheld. If the Primary Institutional First Mortgagee were to disapprove or fail to approve the insurance coverage, the insurance coverage then in effect would remain in effect until such time that the Association and the Primary Institutional First Mortgagee agreed upon the substituted coverage. It shall be presumed that the insurance coverage obtained and maintained by the Association was adequate, satisfied the requirements of the relevant provisions of the Act, and was obtained in good faith with due diligence.
- (c) Named Insured. The named insured shall be the Association, individually, and as agent for Owners of Units covered by the policy, without naming them and as agent for their mortgagees, without naming them. The Unit Owners and their mortgagees shall be additional insureds.
- (d) Custody of Policies and Payment of Proceeds. All policies shall provide that payments for losses made by the insurer shall be paid to the Insurance Trustee (if appointed), and all policies and endorsements thereto shall be deposited with the Insurance Trustee (if appointed).
- (e) Copies to Mortgagees. One copy of each insurance policy, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each Institutional First Mortgagee who holds a mortgage upon a Unit covered by the policy. Copies or certificates shall be furnished not less than 10 days prior to the beginning of the term of the policy or not less than 10 days prior to the expiration of each preceding policy that is being renewed or replaced, as appropriate.
- (f) Personal Property and Liability. Unit Owners may obtain insurance coverage at their own expense and at their own discretion upon the property lying within the boundaries of their Unit, including, but not limited to, their personal property and for their personal liability and living expense and for any other risks.

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

- (a) Casualty. The Building (including all fixtures, installations or additions comprising that part of the Building within the boundaries of the Units initially installed, or replacements thereof, of like kind or quality in accordance with the original plans and specifications therefor, or as existed at the time the Unit was initially conveyed if the original plans and specifications are not available, but excluding floor coverings, wall coverings and ceiling coverings, all furniture, furnishings, electrical fixtures, appliances, air-conditioning or heating equipment, water heaters, built-in cabinets or other personal property owned, supplied or installed by Unit Owners or tenants of Unit Owners) and all Improvements located on the Common Elements from time to time, together with all service machinery contained therein (collectively, the "Insured Property"), shall be insured in an amount not less than 100 percent of the full insurable replacement value thereof, excluding foundation and excavation costs. Such policies may contain reasonable deductible provisions as determined by the Board of Administration of the Association. Such coverage shall afford protection against:
- (i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and
 - (ii) Such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to vandalism and malicious mischief.
- (b) Liability. Comprehensive general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters or things related to the Insured Property, with such coverage as shall be required by the Board of Administration of the Association, but with combined single limit liability of not less than \$300,000 for each accident or occurrence, \$100,000 per person and \$50,000 property damage, and with a cross liability endorsement to cover liabilities of the Unit Owners as a group to any Unit Owner, and vice versa.
- (c) Workers' Compensation. Workers' compensation and other mandatory insurance, when applicable.
- (d) Flood Insurance. Flood insurance, if required by law or as may reasonably be required by the Primary Institutional First Mortgagee or if the Association so elects.
- (e) Fidelity Insurance. Fidelity insurance, if required under the provisions of the Act, covering all directors, officers and employees of the Association and managing agents who handle Association funds, if any.
- (f) Other Insurance. Such other insurance as the Board of Administration of the Association shall determine from time to time to be desirable.

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

Association, or by a member of the Board of Administration of the Association or by one or more Unit Owners.

- 14.3 Additional Provisions. All policies of physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least 10 days prior written notice to all of the named insureds, including all mortgagees of Units. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Administration shall obtain an appraisal from a fire insurance company or other competent appraiser, of the full insurable replacement value of the Insured Property (exclusive of foundations), without deduction for depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section.
- 14.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense. Premiums may be financed in such manner as the Board of Administration deems appropriate.
- 14.5 Insurance Trustee; Share of Proceeds. All insurance policies obtained by the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Insurance Trustee which may be designated by the Board of Administration and which, if so appointed, shall be a bank or trust company in Florida with trust powers with its principal place of business in the County. The Insurance Trustee (if appointed) shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee (if appointed) shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:
- (a) Insured Property. Proceeds on account of damage to the Insured Property shall be held in undivided shares for each Unit Owner, such shares being the same as the undivided shares in the Common Elements appurtenant to each Unit, provided that if the Insured Property so damaged includes property lying within the boundaries of specific Units, that portion of the proceeds allocable to such property shall be held as if that portion of the Insured Property were Optional Property as described in subparagraph (b) below.
- (b) Optional Property. Proceeds on account of damage solely to Units and/or certain portions or all of the contents thereof not included in the Insured Property (all as determined by the Association in its sole discretion) (collectively, the "Optional Property"), if any is collected by reason of optional insurance which the Association elects to carry thereon (as contemplated herein), shall be held for the benefit of Owners of Units or other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.
- (c) Mortgagees. No Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the Unit Owner and mortgagee pursuant to the provisions of this Declaration.

- 14.6 Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee (if appointed) shall be distributed to or for the benefit of the beneficial owners thereof in the following manner:
- (a) Expenses of the Trust. All expenses of the Insurance Trustee (if appointed) shall be first paid or provision shall be made therefor.
 - (b) Reconstruction or Repair. If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners thereof, remittances to Unit Owners and their mortgagees being payable jointly to them.
 - (c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated among the beneficial owners as provided in Section 14.5 above, and distributed first to all Institutional First Mortgagees in an amount sufficient to pay off their mortgages, and the balance, if any, to the beneficial owners. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by any of them.
 - (d) Certificate. In making distribution to Unit Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners and their mortgagees and their respective shares of the distribution.
- 14.7 Association as Agent. The Association is hereby irrevocably appointed as agent and attorney-in-fact for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.
- 14.8 Unit Owners Personal Coverage. Insurance policies issued to individual Unit Owners shall provide that the coverage afforded by such policies is excess over the amount recoverable under any other policy covering the same property without rights of subrogation against the Association. Unless the Association elects otherwise, the insurance purchased by the Association shall not cover claims against an Owner due to accidents occurring within his Unit, nor casualty or theft loss to the contents of an Owner's Unit. It shall be the obligation of the individual Unit Owner, if such Owner so desires, to purchase and pay for insurance as to all such other risks not covered by insurance carried by the Association.
- 14.9 Benefit of Mortgagees. Certain provisions in this Section 14 entitled "Insurance", are for the benefit of mortgagees of Units and may be enforced by them.
- 14.10 Insurance Trustee. The Board of Administration of the Association shall have the option in its discretion of appointing an Insurance Trustee hereunder. If the Association fails or elects not to appoint such Trustee, the Association will perform directly all obligations imposed upon such Trustee by this Declaration.
15. Reconstruction or Repair After Fire or Other Casualty.
- 15.1 Determination to Reconstruct or Repair. In the event of damage to or destruction of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) as a result of fire or other casualty unless

75 percent or more of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) is destroyed or substantially damaged and Unit Owners owning 80 percent or more of the applicable interests in the Common Elements elect to proceed with repairs or restoration and the Primary Institutional First Mortgagee approves such election, the Board of Administration shall arrange for the prompt repair and restoration of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) and the Insurance Trustee (if appointed) shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If 75 percent or more of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) is substantially damaged or destroyed and if Unit Owners owning 80 percent of the applicable interests in the Common Elements duly and promptly resolve not to proceed with the repair or restoration thereof and the Primary Institutional First Mortgagee approves such resolution, the Condominium Property will not be repaired and shall be subject to an action for partition instituted by the Association, any Unit Owner, mortgagee or lienor, as if the Condominium Property were owned in common, in which event the net proceeds of insurance resulting from such damage or destruction shall be divided among all the Unit Owners in proportion to their respective interests in the Common Elements with respect to proceeds held for damage to the Insured Property other than that portion of the Insured Property lying within the boundaries of the Unit, and among affected Unit Owners in proportion to the damage suffered by each such affected Unit Owner, as determined in the sole discretion of the Association (with respect to proceeds held for damage to the Optional Property, if any, and/or that portion of the Insured Property lying within the boundaries of the Unit); provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such fund all mortgages and liens on his Unit in the order or priority of such mortgages and liens. Whenever in this Section the words "promptly repair" are used, it shall mean that repairs are to begin not more than 60 days from the date the Insurance Trustee (if appointed) notifies the Board of Administration and Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, nor not more than 90 days after the Insurance Trustee (if appointed) notifies the Board of Administration and the Unit Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work. The Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

- 15.2 Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original Improvements; or if not, then in accordance with the plans and specifications approved by the Board of Administration of the Association, and if the damaged property which is to be altered is the Building or the Optional Property, by the Owners of not less than 80 percent of the applicable interests in the Common Elements, as well as the Owners of all Units and other portions of the Optional Property (and their respective mortgagees) the plans for which are to be altered.
- 15.3 Special Responsibility. If the damage is only to those parts of the Optional Property for which the responsibility of maintenance and repair is that of the respective Unit Owners, then the Unit Owners shall be responsible for all necessary reconstruction and repair (unless insurance proceeds are held by the Association with respect thereto by reason of the purchase of optional insurance thereon, in which case the Association shall have the responsibility to reconstruct and repair the damaged Optional Property, provided the respective Unit Owners shall be individually responsible for any amount by which the cost of such repair or reconstruction exceeds the insurance proceeds held for such repair or reconstruction on a Unit by Unit basis, as determined in the sole discretion of the

Association). In all other instances, the responsibility for all necessary reconstruction and repair shall be that of the Association.

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

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

If the proceeds of the insurance (for the Optional Property, if any) are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs of reconstruction and repair for the Optional Property are insufficient, charges shall be made against the affected Unit Owner or Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such charges shall be in proportion to the cost of repairing the damage suffered by each Owner, as determined by the Association.

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

(a) Association. If the total Special Assessments made by the Association in order to provide funds for payment of the costs of reconstruction and repair which are the responsibility of the Association are more than \$10,000, then the sums paid upon such Special Assessments shall be deposited by the Association with the Insurance Trustee (if appointed). In all other cases, the Association shall hold the sums paid upon such Special Assessments and disburse the same in payment of the costs of reconstruction and repair.

(b) Disbursement. The proceeds of insurance collected on account of a casualty, and the sums collected from Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(i) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$50,000, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Administration of the Association; provided, however, that upon request to the Insurance Trustee (if appointed) by an Institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage.

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

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

16. Condemnation.

- 16.1 Deposit of Awards with Insurance Trustee. The taking of portions of the Condominium Property by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee (if appointed).
Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee (if appointed); and in the event of failure to do so, in the discretion of the Board of Administration of the Association, a charge shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Owner.
- 16.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain shall also be deemed to be a casualty.
- 16.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the awards and Special Assessments will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee (if appointed) after a casualty, or as elsewhere in this Section 16 specifically provided.
- 16.4 Unit Reduced but Habitable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable in the sole opinion of the Association), the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:
- (a) Restoration of Unit. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be charged against the Owner of the Unit.
 - (b) Distribution of Surplus. The balance of the award in respect of the Unit, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and such mortgagees.
 - (c) Adjustment of Shares in Common Elements. If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements and of the Common Expenses and Common Surplus appurtenant to the Unit shall be reduced by multiplying the percentage of the applicable Unit prior to reduction by a fraction, the numerator of which shall be the area in square feet of the Unit after the taking and the denominator of which shall be the area in square feet of the Unit before the taking. The shares of all Unit Owners in the Common Elements, Common Expenses and Common Surplus shall then be restated as follows:
 - (i) add the total of all percentages of all Units after reduction as aforesaid (the "Remaining Percentage Balance"); and

- (ii) divide each percentage for each Unit after reduction as aforesaid by the Remaining Percentage Balance.

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

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

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

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

- (d) **Special Assessments.** If the balance of the award (after payments to the Unit Owner and such Owner's mortgagees as above provided) for the taking is not sufficient to alter the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by Special Assessments against all of the Unit Owners who will continue as Owners of Units after the changes in the Condominium affected by the taking. The Special Assessments shall be made in proportion to the applicable percentage shares of those Owners after all adjustments to such shares affected pursuant hereto by reason of the taking.

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

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

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

- 16.8 **Amendment of Declaration.** The changes in Units, in the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are affected by the taking shall be evidenced by an amendment to this Declaration that is approved by not less than a majority of the total voting interests of the Unit Owners in the Condominium, unless required by any governmental entity.

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

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

Occupants of an approved lease or subleased Unit must be the following persons, and such persons' families and guests: (i) an individual lessee or sublessee, (ii) an officer, director, stockholder or employee of a corporate lessee or sublessee, or (iv) a fiduciary or beneficiary of a fiduciary lessee or sublessee.

Under no circumstances may more than one family reside in a Unit at one time. "Families" or words of similar import used herein shall be deemed to include spouses, parents, parents-in-law, brothers, sisters, children and grandchildren. In no event shall occupancy (except for temporary occupancy by visiting guests) exceed two persons per bedroom. The Board of Administration shall have the power to authorize occupancy of a Unit by persons in addition to those set forth above. The provisions of this Section 17.1 shall not be applicable to Units used by the Developer for model apartments, sales offices, other offices or management services.

17.2 Children. Children shall be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Condominium Property and including full compliance by them of these restrictions and all rules and regulations of the Association.

17.3 Pets. Except for small domestic birds or fish, each Unit Owner (regardless of the number of joint owners) may maintain two household pets in his Unit to be limited to a dog and a cat, or two dogs or two cats, provided that a dog shall not weight more than 25 pounds and that the household pets are not kept, bred or maintained for any commercial purpose. Dogs may not be kept in a Limited Common Element area when the Owner is not in the Unit. No animals of any kind shall be kept under any circumstances in a Unit, or allowed upon the Condominium Property, except by prior written consent of the Board of Administration of the Association. Such pets shall nevertheless be subject to the reasonable rules and regulations promulgated by the Association. If consent is given by the Board, the consent may be withdrawn at any time by the Board at a duly called meeting of the Board, if the Board determines in its sole discretion that the pet has become a nuisance to the Unit Owners, or that the rules and regulations regarding pets are not being fully obeyed. If consent is withdrawn by the Board, the Unit Owner shall immediately remove the pet from the Condominium. Consent shall automatically terminate upon the death or other disposition of the pet for which consent was granted.

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

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

This Section shall not be construed to authorize nor permit any pet to be kept within any Unit nor upon the Condominium Property which pet is or becomes a legal nuisance.

17.4 Use of Common Elements. The Common Elements shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

- 17.5 Nuisances. No nuisances (as defined by the Association) shall be allowed on the Condominium Property, nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of Units or which interferes with the peaceful possession or proper use of the Condominium Property by its residents or occupants.
- 17.6 No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover relating to any portion of the Condominium Property, shall be corrected by and at the sole expense of the party obligated to maintain or repair such portion of the Condominium Property, as elsewhere herein set forth.
- 17.7 Leases. No portion of a Unit (other than an entire Unit) may be rented. All leases shall be on forms approved by the Association and shall provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Articles and Bylaws of the Association, applicable rules and regulations or other applicable provisions of any agreement, document or instrument governing the Condominium or administered by the Association. Leasing of Units shall also be subject to the prior written approval of the Association and the Association may reject the leasing of any Unit on any grounds the Association elects. No lease shall be approved for a term of less than one year. Except in the event of a default by a tenant under a lease, no Unit shall be leased for more than two terms or to more than two lessees, within a 365 day period, which 365 day period shall be deemed to commence on the date of the lease. As a condition to the approval by the Association of a proposed lease of a Unit, the Association, notwithstanding anything contained in Section 18 of this Declaration, on a lease by lease basis, has the authority, but not the obligation, to require a security deposit in an amount up to but not more than the equivalent of one month's rent be deposited into an interest bearing escrow account maintained by the Association. The security deposit shall protect against damages to the Common Elements or Association Property. Within 15 days after a tenant vacates the Unit the Association shall refund the full security deposit plus accrued interest or give written notice to the tenant of any claim made against the security. Disputes under this section 17.7 shall be handled in the same fashion as disputes concerning security deposits under Florida Statutes, Section 83.49. The Unit Owner will be jointly and severally liable with the tenant to the Association for any amount in excess of such sum which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant.
- 17.8 Alterations. A Unit Owner shall not make or cause any alteration to the exterior Building, Limited Common Elements or other Common Elements, including but not limited to enclosing or screening of balconies; planting or landscaping or removing any additions or improvements or fixtures from the Building, or do an act that will impair the structural soundness of the Building without first obtaining the prior written consent of the Association. See Section 9.1, Section 17.4 and Section 17.9 of the Declaration.
- 17.9 Weight and Sound Restrictions. Hard and/or heavy surface floor coverings, such as tile, marble, wood, and the like will be permitted only in foyers and bathrooms or as otherwise installed by the Developer or prior to the recordation of this Declaration. Installation of hard surfaced floor coverings (other than by the Developer) in any other areas are to receive sound absorbent, less dense floor coverings, such as carpeting. Use of a hard and/or heavy surface floor covering in any other location must be first submitted to and approved by the Board of Directors and also meet applicable structural requirements and any sound insulation standards adopted by the Board. Also, the installation of any improvement or heavy object must be submitted to and approved by the Board, and compatible with the overall structural design of the building. The Board of

Directors may require a structural engineer to review certain of the proposed improvements, with such review to be at the Owner's sole expense. The Board will have the right to specify the exact material to be used on balconies. Any use guidelines set forth by the Association shall be consistent with good design practices for the waterproofing and overall structural design of the Building. Owners will be held strictly liable for violations of these restrictions and for all damages resulting therefrom and the Association has the right to require immediate removal of violations. Applicable warranties of the Developer, if any, shall be voided by violations of these restrictions and requirements. 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 Unit Owner hereby waives and expressly releases any such warranty and claim for loss or damages resulting from sound transmission.

- 17.10 Exterior Improvements; Landscaping. No Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies or windows of the Building (including, but not limited to, awnings, signs, storm shutters, screens, furniture, fixtures and equipment), nor to plant or grow any type of shrubbery, flower, tree, vine, grass or other plant life outside his Unit, without the prior written consent of the Association. The foregoing provision shall not apply to the right of a Unit Owner to display one portable, removable United States flag in a respectful way.
- 17.11 Effect on Developer; Association. With the exception of Sections 17.2, 17.3 and 17.7 hereof, the restrictions and limitations set forth in this Section 17 shall not apply to the Developer or to Units owned by the Developer unless the Rules of the Florida Department of Business and Professional Regulation or the Act require otherwise. The Association shall have the power (but not the obligation) to grant relief in particular circumstances from the provisions of specific restrictions contained in this Section 17 for good cause shown.
18. Selling, Leasing and Mortgaging of Units.
- 18.1 Sale of Units. A Unit Owner who sells or leases his Unit or any interest therein shall give to the Association a written notice of such sale or lease, together with the name and address of the purchaser or lessee, and such other information as the Association may reasonably require, so that the Association will have accurate, current records of the names and addresses of all owners and lessees.
- 18.2 Association's Approval of Leases. Except as provided below, Units shall not be leased without the prior written approval of the Association of both the lease and lessee. The Association has the right to require that a substantially uniform form of lease be used. The provisions of the Condominium Act, this Declaration, the Articles, the Bylaws and the rules and regulations of the Association shall be deemed expressly incorporated into any leases of a Unit. Subleases of Units are prohibited. Notwithstanding the lease of his Unit, the liability of the Unit Owner under this Declaration shall continue. The Association must either approve or disapprove a lease and lessee within ten (10) days after its receipt of a request for such approval, which request shall be accompanied by such information as the Board may reasonably require. One of the grounds for the Association's disapproval of a lease of a Unit may include a Unit Owner being delinquent in the payment of an Assessment (or Special Assessment, to the extent allowed by law) at the time approval is sought. If approved, a recordable Certificate of Approval shall be executed by the Association at the expense of the lessee. If the Association fails to give the Unit Owner written notice of its approval or disapproval of the proposed lease, the proposed lease and lessee shall be deemed approved.

- 18.3 Mortgagee's Rights. The Association shall not have the right to approve a lease for any Unit as provided in Section 18.2 of this Section 18 with respect to any lease of a Unit in connection with the foreclosure of a mortgage by a Mortgagee (or the acceptance of a deed in lieu of foreclosure).
- 18.4 Exceptions. The provisions of this Section 18 shall not apply with respect to any lease of any Unit by (a) the Unit Owner thereof to his spouse, children, parents, parents-in-law, siblings or a trustee, corporation or other entity where the Unit Owner or the aforementioned related persons are and continue to be the sole beneficiary or equity owner of such trustee, corporation or other entity, or to any one or more of the above, or (b) the Association; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Section 18.
- 18.5 Mortgage of Units. Each Unit Owner shall have the right to mortgage his Unit without restriction.
- 18.6 Transfer Fees. The Association may, at its option, charge a transfer fee in connection with the furnishing of a certificate for the lease of a Unit in connection with the Association's right of approval provided for in this Section 18; provided, however, if the lease is a renewal (or if a lease is with the same lessee) no charge shall be made. Additionally, the Association may, at its option, charge a transfer fee in connection with the sale of a Unit. The transfer fee may be preset by the Association but in no event shall it exceed the maximum amount allowed under the Act. The transfer fee shall be on a per applicant basis other than husband/wife or parent/dependent child, which are considered one applicant.
19. Compliance and Default. The Community Association, each Unit Owner, occupant of a Unit, tenant and other invitee of a Unit Owner shall be governed by and shall comply with the terms of this Declaration and all exhibits annexed hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time and the provisions of all of such documents shall be deemed incorporated into any lease of a Unit whether or not expressly stated in such lease. The Community Association (and Unit Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided by the Act:
- 19.1 Mandatory Nonbinding Arbitration of Disputes. Prior to the institution of court litigation, the parties to a Dispute shall petition the Division for nonbinding arbitration. The arbitration shall be conducted according to rules promulgated by the Division and before arbitrators employed by the Division. The filing of a petition for arbitration shall toll the applicable statute of limitation for the applicable Dispute, until the arbitration proceedings are completed. Any arbitration decision shall be presented to the parties in writing, and shall be deemed final if a complaint for trial de novo is not filed in a court of competent jurisdiction in which the Condominium is located within 30 days following the issuance of the arbitration decision. The prevailing party in the arbitration proceeding shall be awarded the costs of the arbitration, and attorneys' fees and costs incurred in connection with the proceedings. The party who files a complaint for a trial de novo shall be charged the other party's arbitration costs, courts costs and other reasonable costs, including, without limitation, attorneys' fees, investigation expenses and expenses for expert or other testimony or evidence incurred after the arbitration decision, if the judgment upon the trial de novo is not more favorable than the arbitration decision. If the judgment is more favorable, the party who filed a complaint for trial de novo shall be awarded reasonable court costs and attorneys' fees. Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent jurisdiction in which the Condominium is located. A petition may not be granted unless the time for appeal by the filing of a complaint for a trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition is

granted, the petitioner may recover reasonable attorneys' fees and costs incurred in enforcing the arbitration award.

- 19.2 **Negligence.** A Unit Owner and/or tenant of a Unit shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association.
- 19.3 **Compliance.** In the event a Unit Owner, tenant or occupant fails to maintain a Unit or fails to cause such Unit to be maintained, or fails to observe and perform all of the provisions of this Declaration, the Bylaws, the Articles, applicable rules and regulations or any other agreement, document or instrument affecting the Condominium Property or administered by the Association, in the manner required, the Association or Unit Owner, as the case may be, shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable fines and to sue in a court of law for damages. The Association shall have the right to charge the Unit Owner for the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance, provided, however, that nothing contained in this Section 19.3 shall authorize the Association to enter a Unit to enforce compliance. The Unit Owner shall not have the right to levy or impose any fines. Unit Owners shall have similar rights of action against the Association. In addition, the Association shall have the irrevocable right of access to each Unit during reasonable hours when necessary for the maintenance, repair, or replacement of any Common Elements or for making emergency repairs which are necessary to prevent damage to the Common Elements or to another Unit or Units.
- 19.4 **Costs and Attorneys Fees.** In any proceeding arising because of an alleged failure of a Unit Owner, a tenant or the Association to comply with the requirements of the Act, this Declaration, the exhibits annexed hereto or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (including appellate attorneys' fees) as may be awarded by the court. A Unit Owner prevailing in an action with the Association, in addition to recovering his reasonable attorneys' fees, may recover additional amounts as determined by the court to be necessary to reimburse the Unit Owner for his share of Assessments levied by the Association to fund its expenses of the litigation.
- 19.5 **No Waiver of Rights.** The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provisions of the Act, this Declaration and the exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, shall not constitute a waiver of its or his right to do so thereafter.
20. **Merger of Condominium.** The Condominium may be merged with one or more condominiums within the Community to form a single Condominium upon (i) the approval of such voting interests of each condominium as is required by the declaration for modifying the appurtenances to the Units or changing the proportion or percentages by which the owners of the Condominium Parcel share the Common Expenses and own the Common Surplus, (ii) the approval of all of the Institutional First Mortgagees and of all record owners of liens and (iii) upon the recording of new or amended Articles of Incorporation, Declaration(s) of Condominium and Bylaws.
21. **Termination of Condominium.** The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Declaration, or (ii) such time as withdrawal of the Condominium Property from the provisions of the Act is authorized by a vote of Owners owning at least 80 percent of the applicable interests in the Common Elements (after 20 percent of the Units have been sold to

Unit Owners other than the Developer, the Developer will not vote the Units owned by it for such withdrawal unless the Owners of at least 80 percent of all other applicable interests in the Common Elements so elect for such withdrawal, at which time Developer may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit), and by the Primary Institutional First Mortgagee, so long as the Primary Institutional First Mortgagee holds first mortgages on Units which have at least 67 percent of the voting interests in the Association or by Mortgagees which have at least 67 percent of the voting interests in the Association. In the event such withdrawal is authorized as aforesaid, the Condominium Property shall be subject to an action for partition by any Unit Owner, mortgagee or lienor as if owned in common in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective interest in the Common Elements, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all mortgages and liens of his Unit in the order of their priority. The termination of the Condominium, as aforesaid, shall be evidenced by a certificate of the Association executed by its President and Secretary, certifying as to the basis of the termination and said certificate shall be recorded among the public records of the County. This section may not be amended without the consent of the Developer so long as it owns any Unit.

22. Additional Rights of Institutional First Mortgagees.

- 22.1 Upon written request to the Association by a Mortgagee, or the insurer or guarantor of any first mortgage encumbering a Unit, such Mortgagee, insurer or guarantor, if its request specifies the name, address and factual basis of entitlement of the requesting party, in addition to the right to examine the Association's books and records and to receive notice of and attend Association meetings, and any other rights provided herein, shall be entitled to prompt written notice of:
- (a) any condemnation or casualty loss that affects either a material portion of the Condominium Property or any Unit encumbered by its Mortgage;
 - (b) any 60 day delinquency in the payment of Assessments, Special Assessments or charges owed by the Unit Owner of any Unit on which it holds the Mortgage;
 - (c) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
 - (d) any proposed action which requires the consent of a specified percentage of Mortgagees.
- 22.2 Any Mortgagee, upon written request, shall be entitled to receive from the Association a copy of a financial report for the immediately preceding fiscal year if such report was prepared.
- 22.3 Any Mortgagee who has registered its name with the Association shall be provided with written notice prior to the effective date of any proposed, material amendment to this Declaration, or the Articles or Bylaws.
- 22.4 In the event that any party which has financed the construction of the Condominium Property (the "Acquiring Party") acquires title to any Unit(s) owned by Developer (or on which Developer held a mortgage which was assigned to the Acquiring Party) as a result of the foreclosure of a mortgage(s) thereon or the giving of a deed in lieu of foreclosure or in satisfaction of debt, except as otherwise provided by the terms and provisions of the Act, such party shall automatically succeed to all rights, benefits and privileges of Developer hereunder (and under the Articles, Bylaws and rules and regulations of the Association), except to the extent the Acquiring Party specifically disclaims any of such rights, benefits or privileges in a written notice to the Association. Notwithstanding the

foregoing or anything to the contrary contained in this Declaration (or in the Articles, Bylaws or rules and regulations), except as otherwise provided by the terms and provisions of the Act, the Acquiring Party shall in no manner be obligated or liable for any duties, obligations, warranties, liabilities, acts or omissions of Developer (i) occurring or arising from facts existing (regardless of when same became known or should have become known) prior to the date the Acquiring Party succeeds to the rights, benefits and privileges of Developer or (ii) otherwise not directly attributable to the Acquiring Party solely in its own right. The foregoing shall be in addition to, and not in derogation of, the Acquiring Party's rights, benefits and privileges as same may exist elsewhere in, under or in connection with this Declaration (or the Articles, Bylaws or rules and regulations).

- 22.5 Subject to the other provisions of this Declaration and except as provided elsewhere to the contrary, an amendment directly affecting any of the following shall require the approval of a Majority of Institutional First Mortgagees: (a) voting rights; (b) increases in assessments by more than 25 percent over the previous assessment amount, assessment liens or the priority of assessment liens; (c) reductions in reserves for maintenance, repair and replacement of Common Elements and/or Association Property; (d) responsibility for maintenance and repairs; (e) reallocation of interests in the Common Elements (including Limited Common Elements) or rights to their use; (f) redefinition of Unit boundaries; (g) conversion of Units into Common Elements or Common Elements into Units; (h) expansion or contraction of the Condominium; (i) restoration or repair of the Condominium after a casualty or partial condemnation; (j) any action to terminate the Condominium after casualty or condemnation; and (k) any provision that expressly benefits mortgage holders, insurers or guarantors as a class. In accordance with Section 718.110(11), Florida Statutes, any consent required of a mortgagee may not be unreasonably withheld.
23. Conveyance of Real Property by Developer to the Association. As presently planned, Developer plans to construct upon the real property adjacent to the Condominium up to an additional four condominiums in addition to the Condominium. Certain portions of the adjacent real property will, from time to time, be set aside and designated for landscaped areas, interior private roads, pedestrian walkways and certain other commonly used facilities for the common use and benefit of all Unit Owners in the Condominium and all the unit owners in the other condominiums, if created. Developer hereby reserves the right to create a multicondominium. In this connection Section 5.2 of the Declaration provides for the formula for determining the fractional or percentage shares of liability for the Common Expenses of the Association and of the ownership of the Common Surplus of the Association to be allocated to the Units in the condominium and in other condominiums to be operated by the Association; that is to say, the share of liability for the Common Expenses of the Association and of ownership of the Common Surplus of the Association allocated to each unit in each condominium operated by the Association shall be a fraction of the whole, the numerator of which is one and the denominator of which is the total number of units in all condominiums operated by the Association.
24. Covenant Running With The Land. All provisions of this Declaration, the Articles, Bylaws and applicable rules and regulations of the Association as well as those of the Community Covenants, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the Developer and subsequent owner(s) of the Land or any part thereof, or interest therein, and their respective heirs, personal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future Unit Owners, tenants and occupants of Units, shall be subject to and shall comply with the provisions of this Declaration and such Articles, Bylaws and applicable rules and regulations, as well as those of the Community Covenants, all as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease, or the entering into occupancy of any Unit, shall constitute an adoption and

ratification of the provisions of this Declaration and the Articles, Bylaws and applicable rules and regulations of the Community Association, the Community Covenants, all as they may be amended from time to time, by such Unit Owner, tenant or occupant.

25. The Community Association. The Condominium is part of a Community known as Il Villagio (the "Community"). The Common Areas of the Community are governed by the Community Association pursuant to the Community Covenants. The Community Covenants also contain rules, regulations and restrictions relating to the use of such Common Areas as well as the Condominium Property (including Units). Each Unit Owner will be a member of the Community Association and will be subject to all of the terms and conditions of the Community Covenants, as amended and supplemented from time to time. Among the powers of the Community Association are the powers to assess Unit Owners (and other members of the Community Association) for a pro-rata share of the expenses of the operation and maintenance (including the management fees relating to) of such Common Areas and to impose and foreclose liens in the event such assessments are not paid when due. Except for those instances where the use is limited pursuant to the Community Covenants, the Unit Owners shall be entitled to use all of said Common Areas in accordance with and subject to the terms of the Community Covenants. The Community Association may impose certain obligations on the Association including, but not limited to, obligating the Community Association to collect Assessments due the Community Association despite the fact that such Assessments are not Common Expenses of the Condominium.

26. Additional Provisions.

- 26.1 Notices. All notices to the Association required or desired hereunder or under the Bylaws of the Association shall be sent by certified mail (return receipt requested) to the Association care of its office at the Condominium, or to such other address as the Association may hereafter designate from time to time by notice in writing to all Unit Owners. Except as provided specifically in the Act, all notices to any Unit Owner shall be sent by first class mail to the Condominium address of such Unit Owner, or such other address as may have been designated by him from time to time, in writing, to the Association. All notices to mortgagees of Units shall be sent by first class mail to their respective addresses, or such other address as may be designated by them from time to time, in writing to the Association. All notices shall be deemed to have been given when mailed in a postage-prepaid, sealed wrapper, except notice of a change of address, which shall be deemed to have been given when received, or five business days after proper mailing, whichever shall first occur.
- 26.2 Interpretation. The Board of Administration of the Association shall be responsible for interpreting the provisions hereof and of any of the Exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of counsel that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.
- 26.3 Mortgagees. The Association shall not be responsible to any mortgagee or lienor of any Unit hereunder and may assume the Unit is free of any such mortgages or liens, unless written notice of the existence of such mortgage or lien is received by the Association.
- 26.4 Exhibits. There is hereby incorporated in this Declaration any materials contained in the Exhibits annexed hereto which under the Act are required to be part of the Declaration.
- 26.5 Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a Vice-President may be substituted therefor, and wherever the signature of the Secretary of the Association is required hereunder, the signature of an Assistant Secretary may be substituted therefor, provided that the same person may not execute any single instrument on behalf of the Association in two separate capacities.

- 26.6 **Governing Law.** Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this Declaration, the Exhibits annexed hereto or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, said dispute or litigation shall be governed by the laws of the State of Florida.
- 26.7 **Refund of Taxes, Fees and Other Charges.** Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by the Developer to any governmental authority, utility company or any other entity which at a later date are refunded in whole or in part, shall be returned to the Developer in the event said refund is received by the Association.
- 26.8 **Disclaimer of Warranties.** There are no warranties of any kind, express or implied, except for those imposed by law. Developer hereby disclaims any and all express or implied warranties as to design, construction, furnishing and equipping of the Condominium Property, except only those set forth in section 718.203 of the Act, to the extent applicable and to the extent that same have not expired by their terms. As to such warranties which cannot be disclaimed, and to other claims, if any, which can be made as to the aforesaid matters, all incidental and consequential damages arising therefrom are hereby disclaimed. All Unit Owners, by virtue of acceptance of title to their respective Units (whether from the Developer or another party) shall be deemed to have automatically waived all incidental and consequential damages.
- Unless specifically required by the Act or the applicable rules of the Florida Administrative Code, the Developer shall have no liability for any economic or non-economic damages to the Unit Owner. The only remedy available to the Unit Owner and/or Association shall be to compel the Developer to correct any construction defects that may be required by the Act or the applicable rules of the Florida Administrative Code.
- Lastly, each Owner, by acceptance of a deed or other conveyance of a Unit, understands and agrees that there are various methods for calculating, and the square footage of a Unit may vary 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 Owners(s) shall be deemed to have conclusively agreed to accept the size and dimension 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 material or otherwise. Without limiting the generality of this Section 27.8, Developer does not make any representation or warranty as to the actual size, dimensions 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.
- 26.9 **Severability.** The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the Exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.
- 26.10 **Waiver.** No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.

- 26.11 Ratification. Each Unit Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Unit, by reason of his occupancy, shall be deemed to have acknowledged and agreed that all of the provisions of this Declaration, and the Articles and Bylaws of the Association, and applicable rules and regulations, are fair and reasonable in all material respects.
- 26.12 Liability. Notwithstanding anything contained herein or in the Articles of Incorporation, Bylaws, any rules or regulations of the Community Association or any other document governing or binding the Community Association (collectively, the "Community Association Documents"), the Community Association, except to the extent specifically provided to the contrary herein, shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Condominium and/or Community Association Property including, without limitation, Owners and their guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:
- (a) it is the express intent of the Community Association Documents that the various provisions thereof which are enforceable by the Community Association and which govern or regulate the uses of the properties have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the properties and the value thereof;
 - (b) the Community Association is not empowered, and has not been created, to act as an entity which enforces or ensures the compliance with the laws of the United States, State of Florida, County and/or any other jurisdiction or the prevention of tortious activities; and
 - (c) the provisions of the Community Association Documents setting forth the use of assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of assessment funds and not as creating a duty of the Community Association to protect or further the health, safety or welfare of any person(s), even if assessment funds are chosen to be used for any such reason.

Each Owner (by virtue of his acceptance of title to his Unit) and each other person having an interest in or lien upon, or making use of, any portion of the properties (by virtue of accepting such interest or lien or making such use) shall be bound by this provision and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Community Association arising from or connected with any matter for which the liability of the Community Association has been disclaimed hereby. As used herein, "Community Association" shall include within its meaning all of Community Association's directors, officers, committee and board members, employees, agents, contractors (including management companies), subcontractors, successors and assigns. The provisions hereof shall also inure to the benefit of Developer, which shall be fully protected hereby.

- 26.13 Execution of Documents; Attorney-in-Fact. Without limiting the generality of other Sections of this Declaration and without such other Sections limiting the generality hereof, each Owner, by reason of the acceptance of a deed to such Owner's Unit, hereby agrees to execute, at the request of the Developer all documents or consents which may be required by all governmental agencies to allow the Developer to complete the plan of development of the Community (of which the Condominium is a part), as such plan may be hereafter amended; and each such Owner further appoints hereby and thereby the Developer as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of such Owners, any and all of such documents or consents. This power of attorney is

irrevocable and coupled with an interest. The provisions of this section may not be amended without the consent of the Developer.

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

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

IN WITNESS WHEREOF, the Developer has caused this Declaration to be duly executed and its corporate seal to be hereunto affixed this 27 day of September 2004.

Signed, sealed and delivered in the presence of:

JACKIE CONY
ROBERT M. HABER

DEVELOPER:

Deerwood Development, L.L.C., a Florida limited liability company

By: Eduardo Avila, MANAGING PARTNER

STATE OF FLORIDA)
)§.
COUNTY OF MIAMI-DADE)

The foregoing Declaration of Condominium was acknowledged before me this 27 day of September, 2004, by Eduardo Avila as Managing Partner of Deerwood Development, L.L.C., a Florida limited liability company, on behalf of the company. He is personally known to me or has produced _____, as identification and did take an oath.



Michelle M. Cachinero
Notary Public, State of Florida
Print Name: Michelle M. Cachinero
Commission No.: DD0222788
My Commission Expires: 8/15/2007

This Instrument Prepared by and return to:
Robert M. Haber, Esq.
Freeman, Haber, Rojas & Stanham, LLP.
520 Brickell Key Drive, #O-305
Miami, Florida 33131
(305) 374-3800

CONSENT OF MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, LaSalle Bank National Association, the ("Mortgagee"), is the owner and holder of the following Security Documents: (i) that certain Renewed, Restated and Amended Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, (the "Mortgage") recorded January 15, 2004 in Official Records Book 11581, at Page 1850; and amendments to the Mortgage; (ii) Assignment of Rents and Leases filed January 15, 2004, in Official Records Book 11581, at Page 1890; (iii) UCC-1 Financing Statement filed January 15, 2004, in Official Records Book 11581, at Page 1901; and (iv) Collateral Assignment of Developer's Rights, Water and Sewer Connections and Impact Fee Credits filed in Official Records Book 11581, at Page 1847; all of the Public Records of Duval County, Florida.

WHEREAS, the Security Documents encumber all or a portion of the property -- real, personal and mixed -- submitted to condominium ownership under that certain Declaration of Condominium of Il Villagio Condominium One to which this instrument is attached and which shall be recorded in the Public Records of said County.

NOW, THEREFORE, for TEN DOLLARS (\$10.00) and other good and valuable consideration received, the Mortgagee hereby consents to said Declaration of Condominium in accordance with, and to the extent required by, the provisions of Section 718.104(3), Florida Statutes, and hereby agrees that the lien and security interest of the Security Documents shall be spread to each and every unit in said Condominium and all appurtenances to each such unit.

The Mortgagee makes no warranty or representation of any kind or nature concerning said Declaration or 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 said Condominium, and does not assume and shall not be responsible for any of the obligations or liabilities of the developer contained in the Offering Circular, Declaration or any other documents issued in connection with the promotion of said Condominium. None of the representations contained in any such documents shall be deemed to have been made by the Mortgagee, nor shall they be construed to create any obligation or liability on the part of the Mortgagee to any person relying thereon; provided however that all rights, benefits and privileges in favor of Deerwood Development, LLC., a Florida limited liability company, shall inure to the benefit of the Mortgagee or a receiver or third party purchaser in the event of a foreclosure or a deed given in lieu of foreclosure and any such person shall succeed to mortgagor's interest in the Condominium.

WITNESS the due execution hereof this 5 day of Oct, 2004, to be effective as of the date of said Declaration of Condominium.

Signed, sealed and delivered in the presence of:

William H. Intos
Print Name: William H. Intos

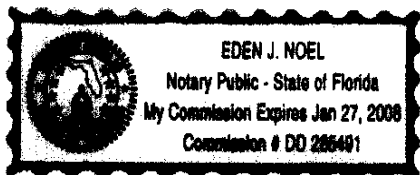
R. H. Rees
Print Name: R. H. Rees

LaSalle Bank National Association

By: Marty
McBogan

STATE OF FLORIDA)
COUNTY OF PALM BEACH)S

The foregoing instrument was acknowledged before me this 5th day of October, 2004, by Marty McGrogan, as an officer of LaSalle Bank National Association, on behalf of the Bank, who acknowledged to me that he has executed the above and foregoing instrument for the intent and purposes therein expressed. He is personally known to me or has produced a Florida Driver's License for identification, and he did not take an oath.



Eden J. Noel
Notary Public, State of FLORIDA
Printed Name: EDEN J. NOEL
Commission No.: DD 285491
My Commission Expires: 01/27/08

This Instrument Prepared by
and return to:
Robert M. Haber, Esq.
Freeman, Haber, Rojas & Stanham, LLP.
520 Brickell Key Drive, # O-305
Miami, Florida 33131
(305) 374-3800

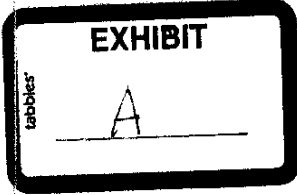
IL VILLAGIO CONDOMINIUM ONE

IL VILLAGIO CONDOMINIUM ONE Building 2000

A portion of Parcel "S", Deerwood Park North Replat Number One as recorded in Plat Book 51, Pages 6, 6A through 6N, Current Public Records of Jacksonville, Duval County, Florida, being a portion of those certain lands described in deed recorded at Official Records Volume 10691, Page 910, said public records, and being more particularly described as follows:

For Point of Reference commence at the Southwesterly corner of said deed parcel lying on the Northerly right of way line of Touchton Road, according to said plat, and run North 76° 40' 52" East, a distance of 1016.92 feet to the Point of Beginning.

From the Point of Beginning thus described run North 34° 27' 52" East, a distance of 215.55 feet; run thence South 55° 59' 05" East; a distance of 74.50 feet; run thence South 34° 27' 52" West, a distance of 216.13 feet; run thence North 55° 32' 08" West, a distance of 74.50 feet to the Point of Beginning.



SHEET 2

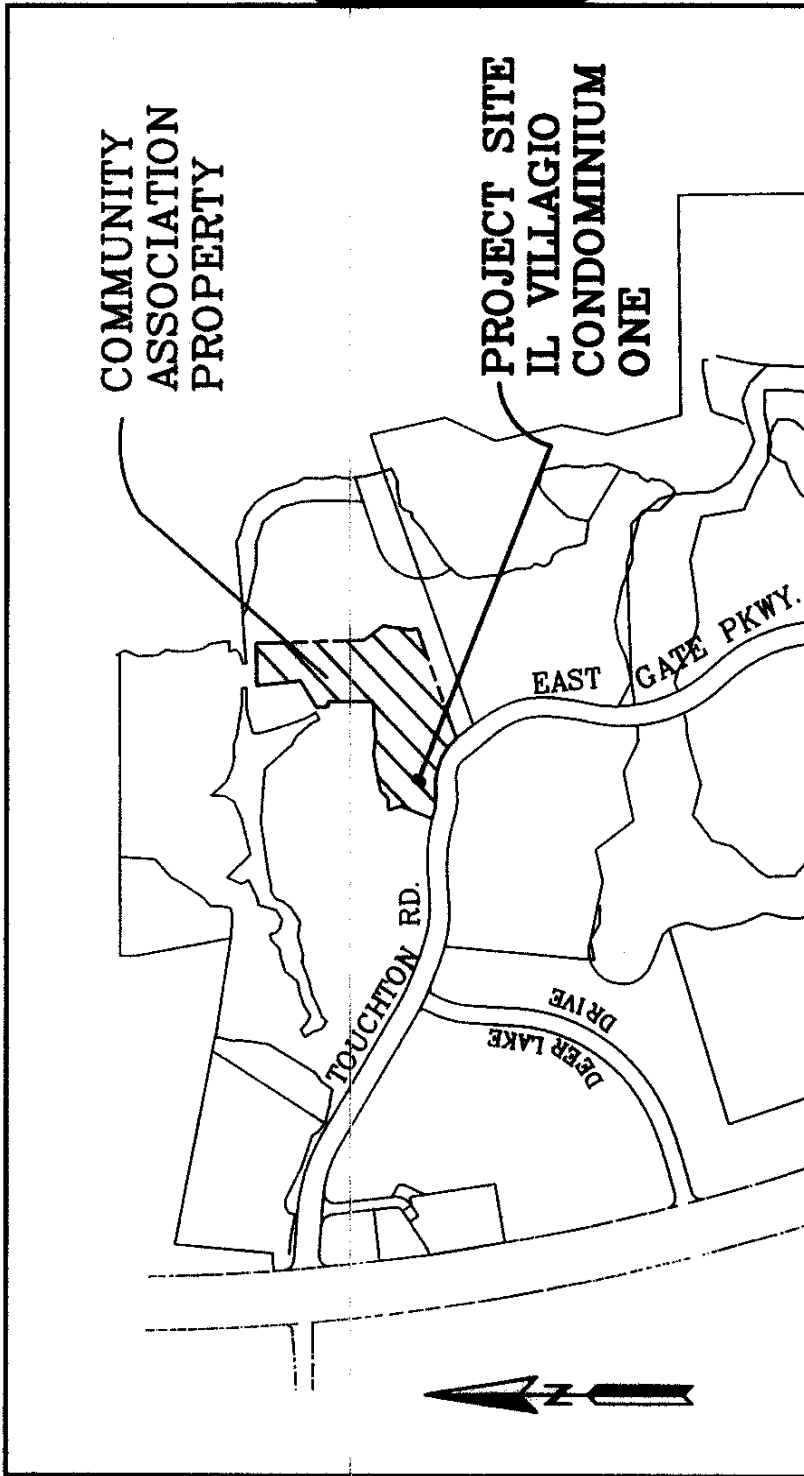


Robert M. Augas Associates, Inc.
LAND SURVEYING, PLANNING AND TITLE SERVICES

10700 N. Orange Blossom Trail, Suite 100, Orlando, FL 32817 (407) 850-4000
DATE SEPTEMBER 17, 2004

IL VILLAGIO CONDOMINIUM ONE

EXHIBIT
B



VICINITY MAP
NOT TO SCALE



Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

14770 St. Augustine Road, Jacksonville, FL 32218 Tel: (904) 444-0000
Certified of Professional Status by the State of Florida

DATE SEPTEMBER 17, 2004

IL VILLAGIO CONDOMINIUM ONE

IL VILLAGIO CONDOMINIUM ONE Building 2000

A portion of Parcel "S", Deerwood Park North Replat Number One as recorded in Plat Book 51, Pages 6, 6A through 6N, Current Public Records of Jacksonville, Duval County, Florida, being a portion of those certain lands described in deed recorded at Official Records Volume 10691, Page 910, said public records, and being more particularly described as follows:

For Point of Reference commence at the Southwesterly corner of said deed parcel lying on the Northerly right of way line of Touchton Road, according to said plat, and run North $76^{\circ} 40' 52''$ East, a distance of 1016.92 feet to the Point of Beginning.

From the Point of Beginning thus described run North $34^{\circ} 27' 52''$ East, a distance of 215.55 feet; run thence South $55^{\circ} 59' 05''$ East; a distance of 74.50 feet; run thence South $34^{\circ} 27' 52''$ West, a distance of 216.13 feet; run thence North $55^{\circ} 32' 08''$ West, a distance of 74.50 feet to the Point of Beginning.



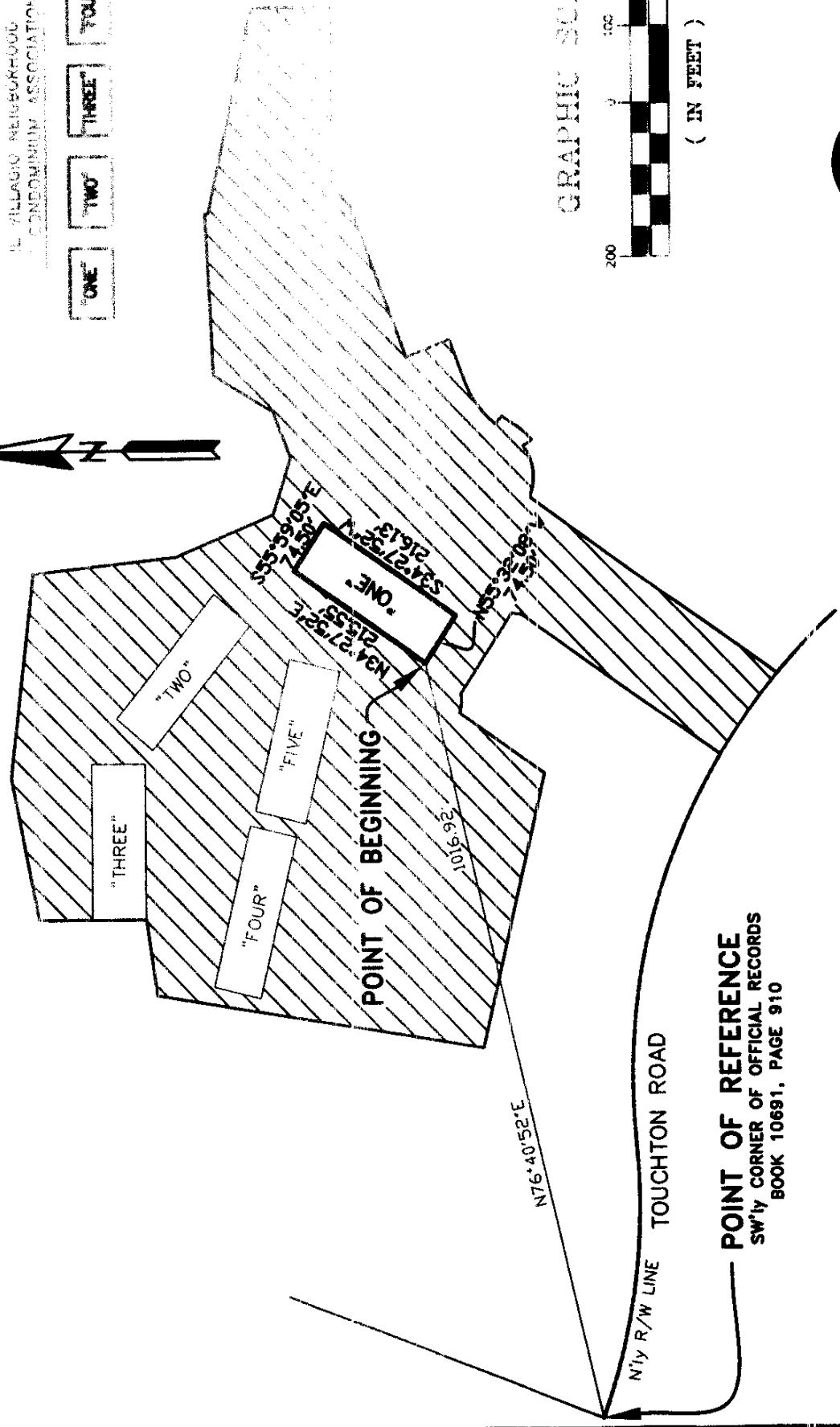
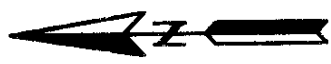
Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

15775 St. Augustine Road, Jacksonville, FL 32226 Tel: (904) 646-2888
Certified by the State of Florida, No. 13,364

DATE SEPTEMBER 17, 2004

IL VILLAGIO CONDOMINIUM ONE

IL VILLAGIO NEIGHBORHOOD
CONDOMINIUM ASSOCIATION, INC.



N¹/_y R/W LINE TOUCHTON ROAD
POINT OF REFERENCE
SW¹/_y CORNER OF OFFICIAL RECORDS
BOOK 10691, PAGE 910



IL VILLAGIO CONDOMINIUM ONE

A PORTION OF COMMUNITY ASSOCIATION PROPERTY

GRAPHIC SCALE



Book 10691 PAGE 910



Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

14775 St. Augustine Road, Jacksonville, FL 32286 Tel: (904) 642-6000
Certificate of Authorization No. 13 3234

DATE SEPTEMBER 17, 2004 SCALE 1" = 200'

IL VILLAGIO CONDOMINIUM ONE

SURVEYOR'S NOTES

- 1) CONDOMINIUM UNITS ARE IDENTIFIED BY NUMBER. ALL REFERENCES TO "UNITS" SHALL MEAN "CONDOMINIUM UNITS" AS DEFINED BY THE DECLARATION.
- 2) ALL BUILDINGS AND OTHER SITE IMPROVEMENTS ARE PROPOSED.
- 3) INTERIOR ROOM DIMENSIONS SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES.
- 4) DEVELOPER RESERVES THE RIGHT TO RELOCATE BUILDINGS SHOWN ON SHEET 3.

GENERAL LEGEND



IL VILLAGIO CONDOMINIUM ONE



A PORTION OF COMMUNITY ASSOCIATION PROPERTY

LINE TABLE		
LINE	LENGTH	BEARING
L1	78.73'	S71°18'48"E
L2	64.50'	N68°20'07"E
L3	94.69'	N31°11'25"E
L4	4.41'	S02°39'31"E
L5	54.67'	S69°31'22"W
L6	5.97'	S68°49'33"W
L7	14.01'	S49°07'10"E
L8	7.20'	S31°39'20"W
L9	14.04'	N33°37'52"W

CURVE TABLE					
CURVE	LENGTH	RADIUS	CHORD	BEARING	DELTA
C1	13.88'	71.00'	13.86'	N06°30'40"E	11°12'16"
C2	25.33'	40.50'	24.92'	N85°48'30"W	35°49'54"
C3	69.04'	136.00'	68.31'	S53°06'25"W	29°05'17"
C4	19.77'	122.00'	19.75'	S33°39'12"W	9°17'12"
C5	24.54'	78.80'	24.44'	S43°18'48"W	18°01'27"
C6	70.65'	64.00'	67.12'	S83°03'46"W	63°14'53"



Robert M. Angas Associates, Inc.
 LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

15775 St. Augustine Road, Jacksonville, FL 32218 Tel: (904) 648-1100
 Contract # 04-0001-0001 Date 08/17/04

DATE SEPTEMBER 17, 2004

IL VILLAGIO CONDOMINIUM ONE

SEPTEMBER 17, 2004

CERTIFICATE OF SURVEYOR

I, DAVID LAMPP, BEING A PROFESSIONAL SURVEYOR AND MAPPER DULY AUTHORIZED TO PRACTICE IN THE STATE OF FLORIDA, DO HEREBY CERTIFY THAT THE CONSTRUCTION OF THE IMPROVEMENTS WITHIN "IL VILLAGIO CONDOMINIUM ONE" CONSISTING OF ONE BUILDING IS SUBSTANTIALLY COMPLETE SO THAT THE MATERIAL COMPRISING EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM OF "IL VILLAGIO CONDOMINIUM ONE", TOGETHER WITH THE PROVISIONS OF THE DECLARATION DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS AND SO THAT THE IDENTIFICATION, LOCATION, AND DIMENSIONS OF THE COMMON ELEMENTS AND OF EACH UNIT, CAN BE DETERMINED FROM THESE MATERIALS

ROBERT M. ANGAS ASSOCIATES, INC.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

David L. Lampp 9/17/04

DAVID L. LAMPP
PROFESSIONAL SURVEYOR AND
MAPPER NO. 3535
STATE OF FLORIDA

VALID ONLY FOR BUILDING ONE
NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA SURVEYOR AND MAPPER

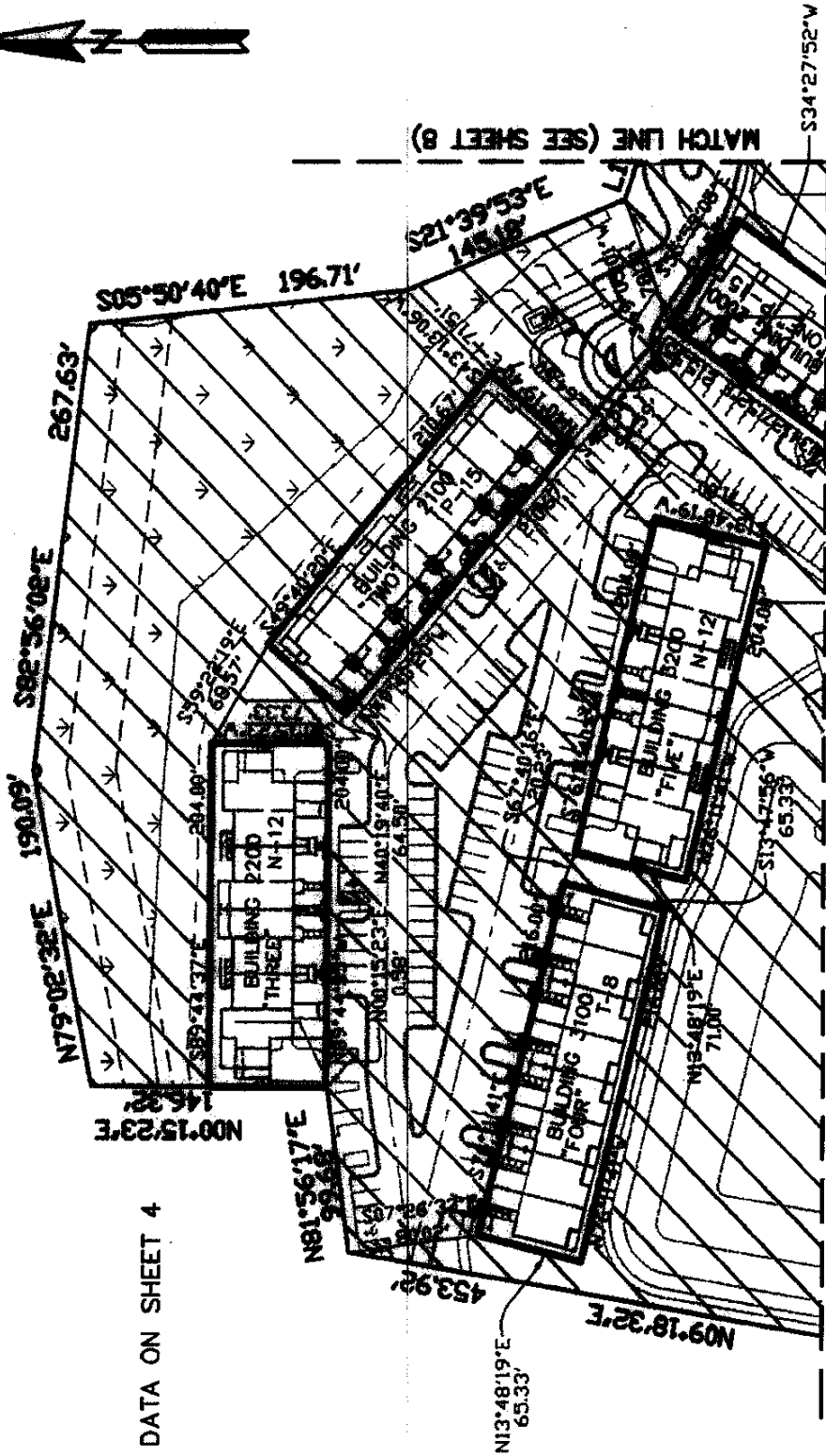
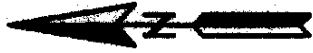


Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

1578 St. Augustine Blvd., Jacksonville, FL 32208 Tel: (904) 646-0000
Certificate of Registration No. 10 2004

DATE SEPTEMBER 17, 2004

IL VILLAGIO CONDOMINIUM
UNDER IL VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION INC.



LINE DATA ON SHEET 4

MATCH LINE (SEE SHEET 7)

MATCH LINE (SEE SHEET 8)



(IN FEET)



A PORTION OF COMMUNITY ASSOCIATION PROPERTY



IL VILLAGIO CONDOMINIUM



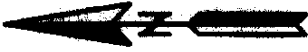
Robert M. Angas Associates, Inc.
LAND SURVEYING, PLANNING AND CIVIL ENGINEERING

12720 N. Greenwood Road, Suite 100, Tulsa, Oklahoma 74107-4400
PHONE 918-438-4400 FAX 918-438-4401

DATE **SEPTEMBER 17, 2004** SCALE **1" = 100'**

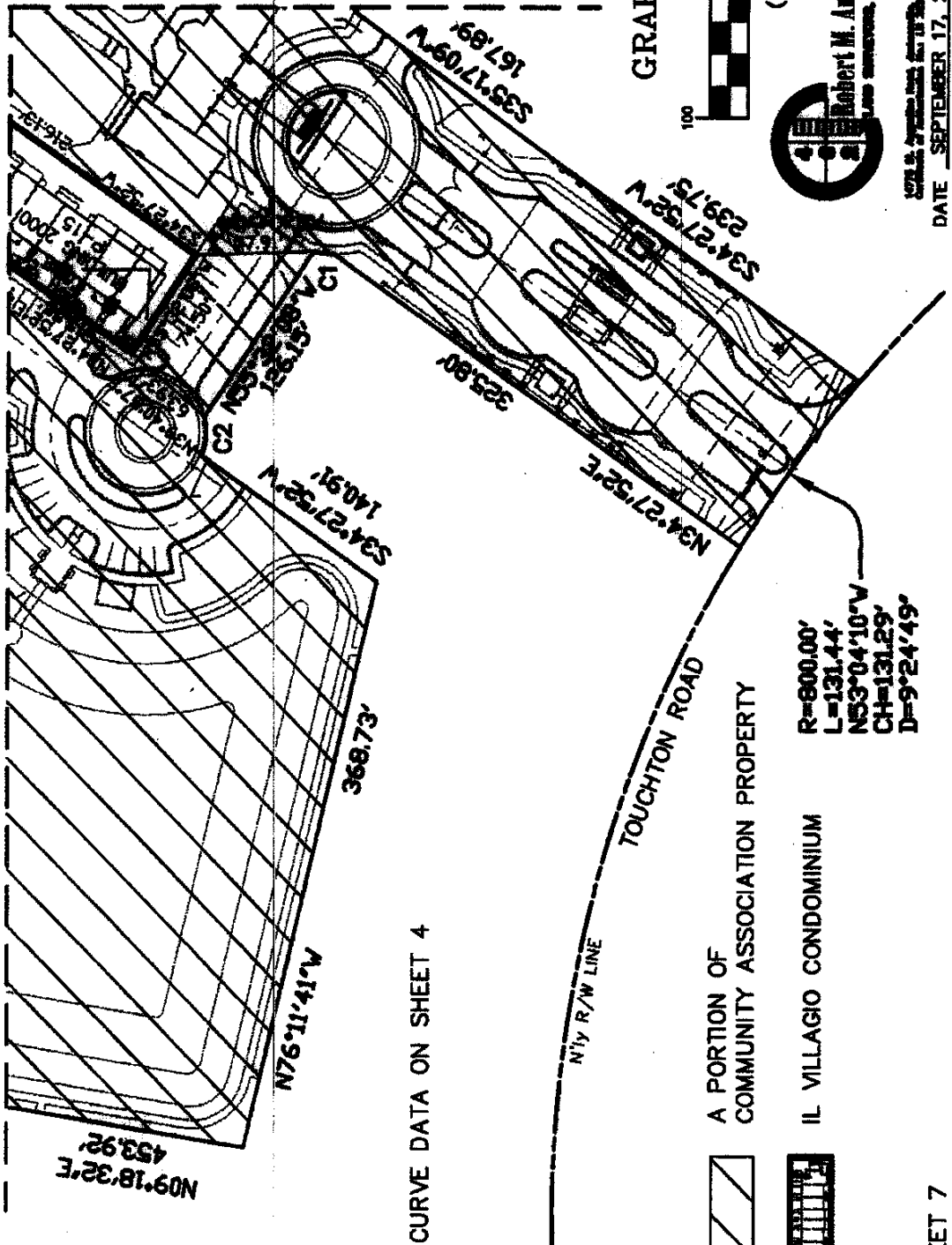
SHEET 6

IL VILLAGIO CONDOMINIUMS
UNDER IL VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION INC.



MATCH LINE (SEE SHEET 6)

MATCH LINE (SEE SHEET 8)

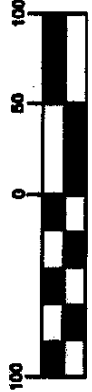


CURVE DATA ON SHEET 4

A PORTION OF
COMMUNITY ASSOCIATION PROPERTY

IL VILLAGIO CONDOMINIUM
R=600.00'
L=131.44'
N53°04'10"N
CH=131.29'
D=9°24'49"

GRAPHIC SCALE



(IN FEET)



Robert M. Angas Associates, Inc.
REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR, PLANNING AND CIVIL ENGINEERING

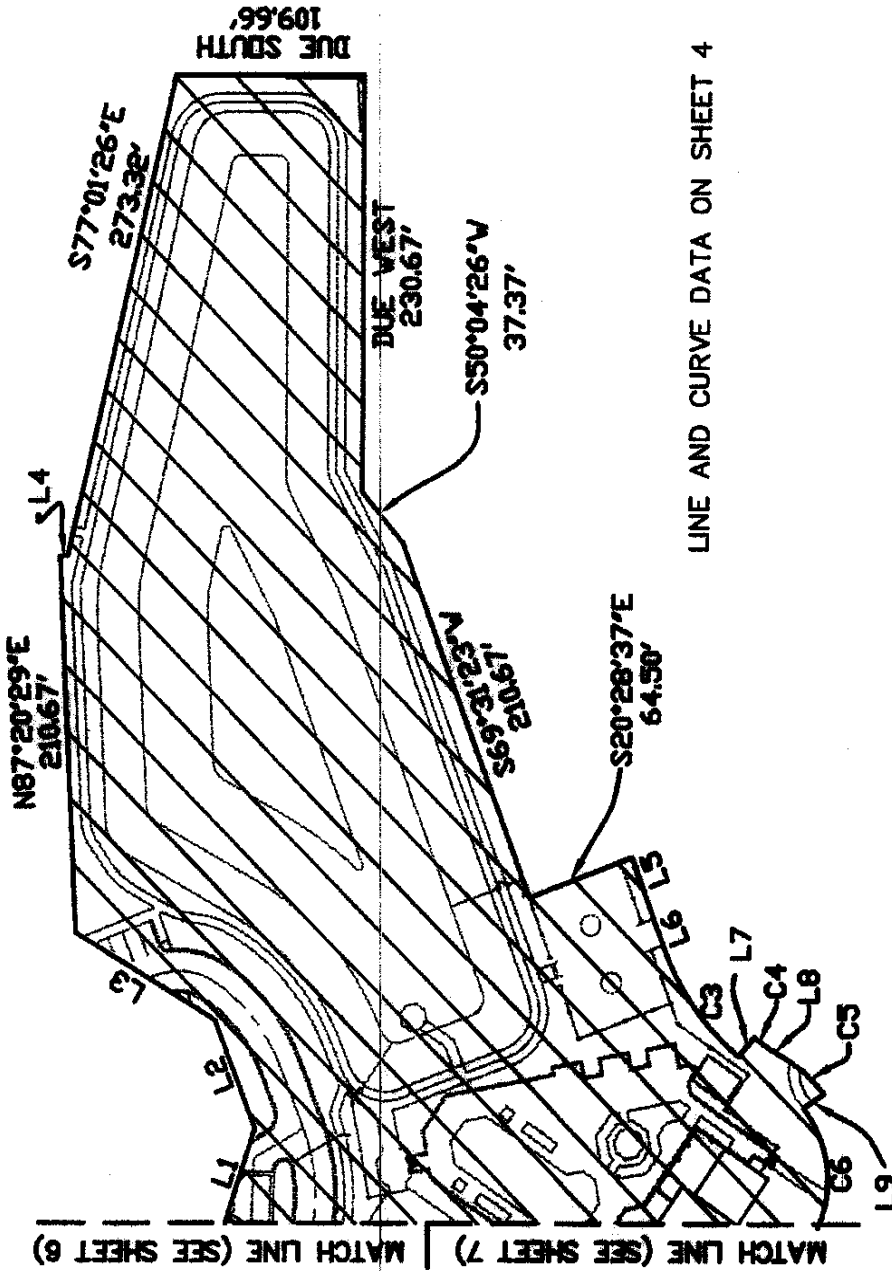
1075 N. Franklin Street, Suite 100, Chicago, IL 60610

DATE SEPTEMBER 17, 2004 SCALE 1" = 100'

SHEET 7

IL VILLAGIO CONDOMINIUMS

UNDER E. VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION INC.



LINE AND CURVE DATA ON SHEET 4



A PORTION OF COMMUNITY ASSOCIATION PROPERTY



IL VILLAGIO CONDOMINIUM

GRAPHIC SCALE



(IN FEET)



Robert M. Angas Associates, Inc.
LAND SURVEYING, PLANNING AND CIVIL ENGINEERS

1075 S. Franklin Road, Suite 100, St. Louis, MO 63104-4400

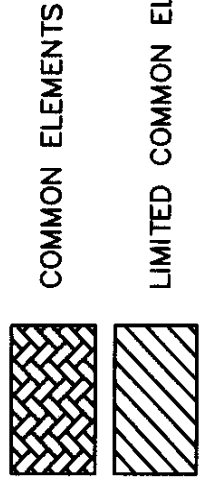
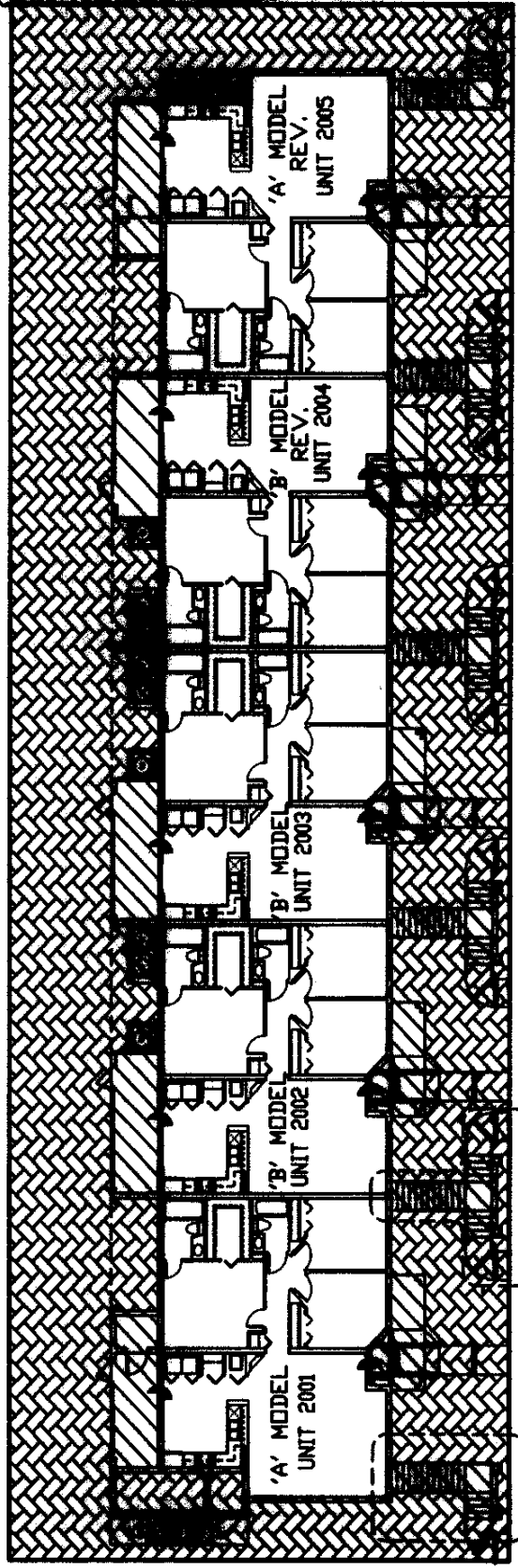
DATE SEPTEMBER 17, 2004 SCALE 1" = 100'

SHEET 8

IL VILLAGIO CONDOMINIUM ONE

BOOK 12091 Page 299

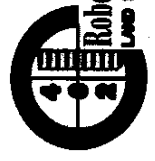
BOOK NUMBER 12091 - PAGE 299



**BUILDING 2000
IL PALERMO 15
FIRST FLOOR**

NOTE:

BALCONIES, PATIOS AND AIR CONDITIONER UNITS ARE LIMITED COMMON ELEMENTS (LCE) .



Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

13775 B. Avenida Blvd., Jacksonville, FL 32226 Tel: (904) 646-0800
Certificate of Accreditation No. 18 354

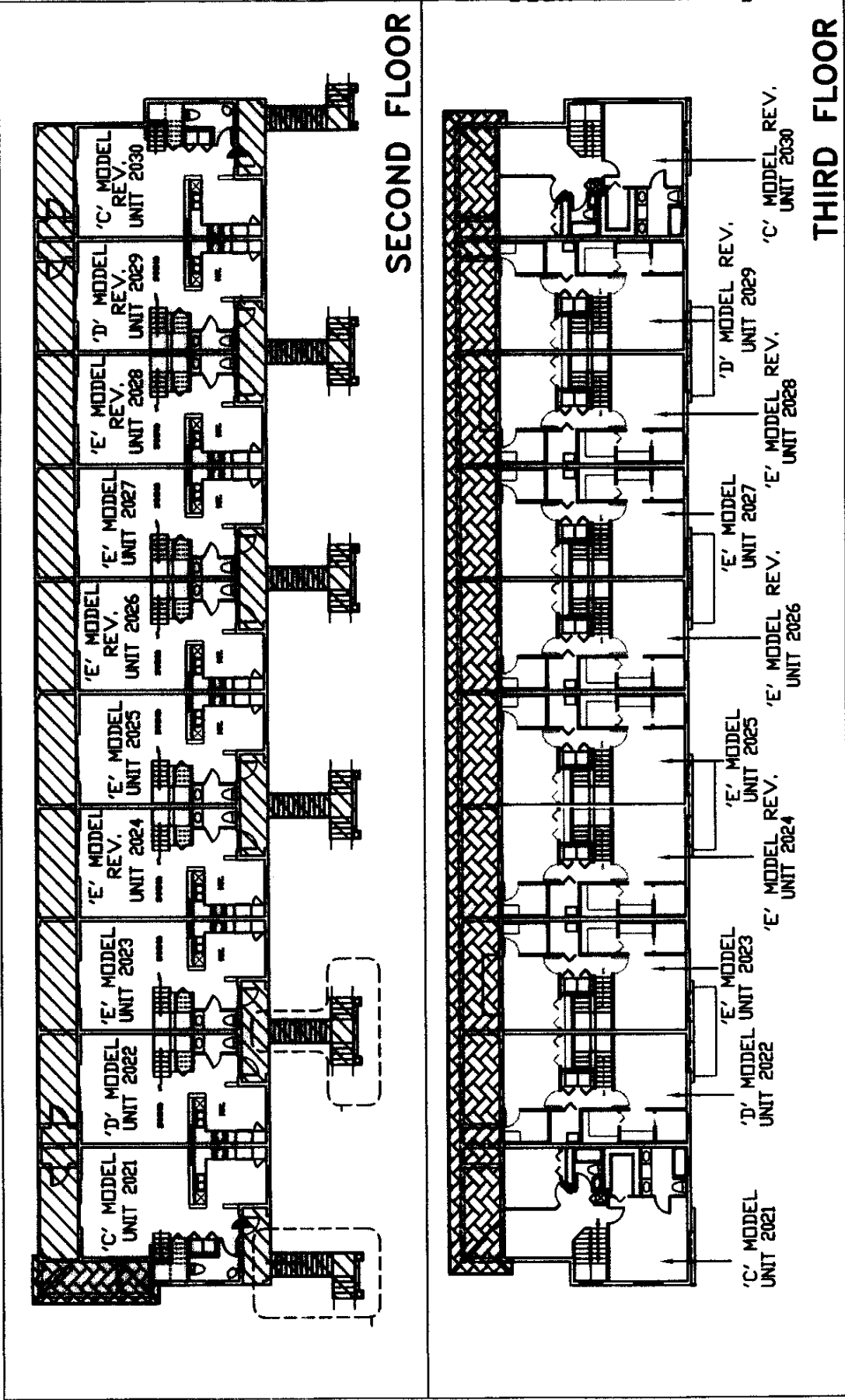
DATE SEPTEMBER 17, 2004

SHEET 9

BUILDING PLAN

IL VILLAGGIO CONDOMINIUM ONE

Book 12491 Page 390



**BUILDING 2000
IL PALERMO 15**



Robert M. Argas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

14770 St. Augustine Road, Suite 100, Ft. Myers, FL 33903 Tel: (889) 444-4444
Central Florida, FL 32801

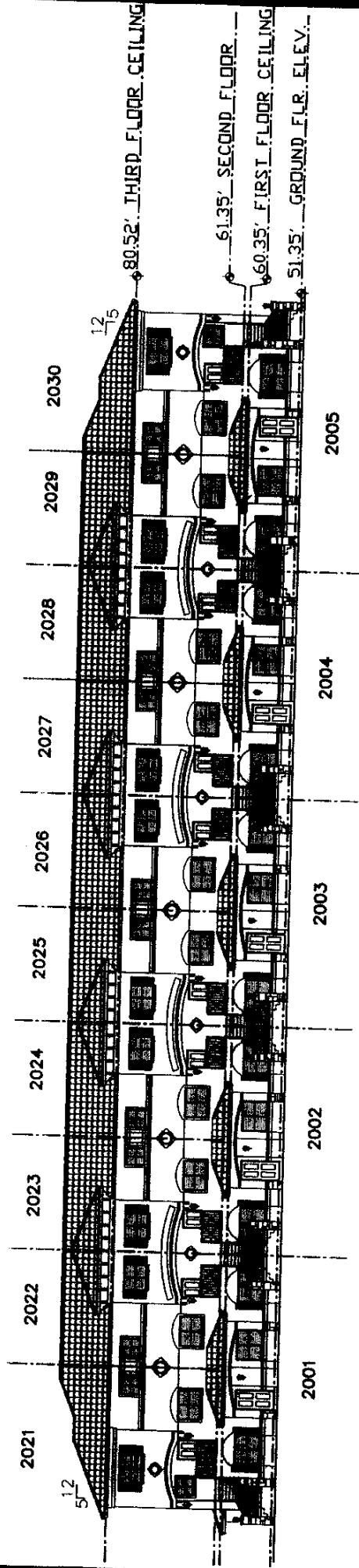
DATE SEPTEMBER 17, 2004

BUILDING PLAN

SHEET 10

IL VILLAGGIO CONDOMINIUM ONE

Book 12091 Page 301



FRONT ELEVATION
BUILDING TYPE 'B' - 15 UNITS

BUILDING 2000
IL PALERMO 15



Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

14776 St. Charles Ave., Metairie, La. 70002 Tel: (504) 885-8800
Certified by the State of Louisiana, No. 22288, Exp. 12/31/04

DATE SEPTEMBER 17, 2004

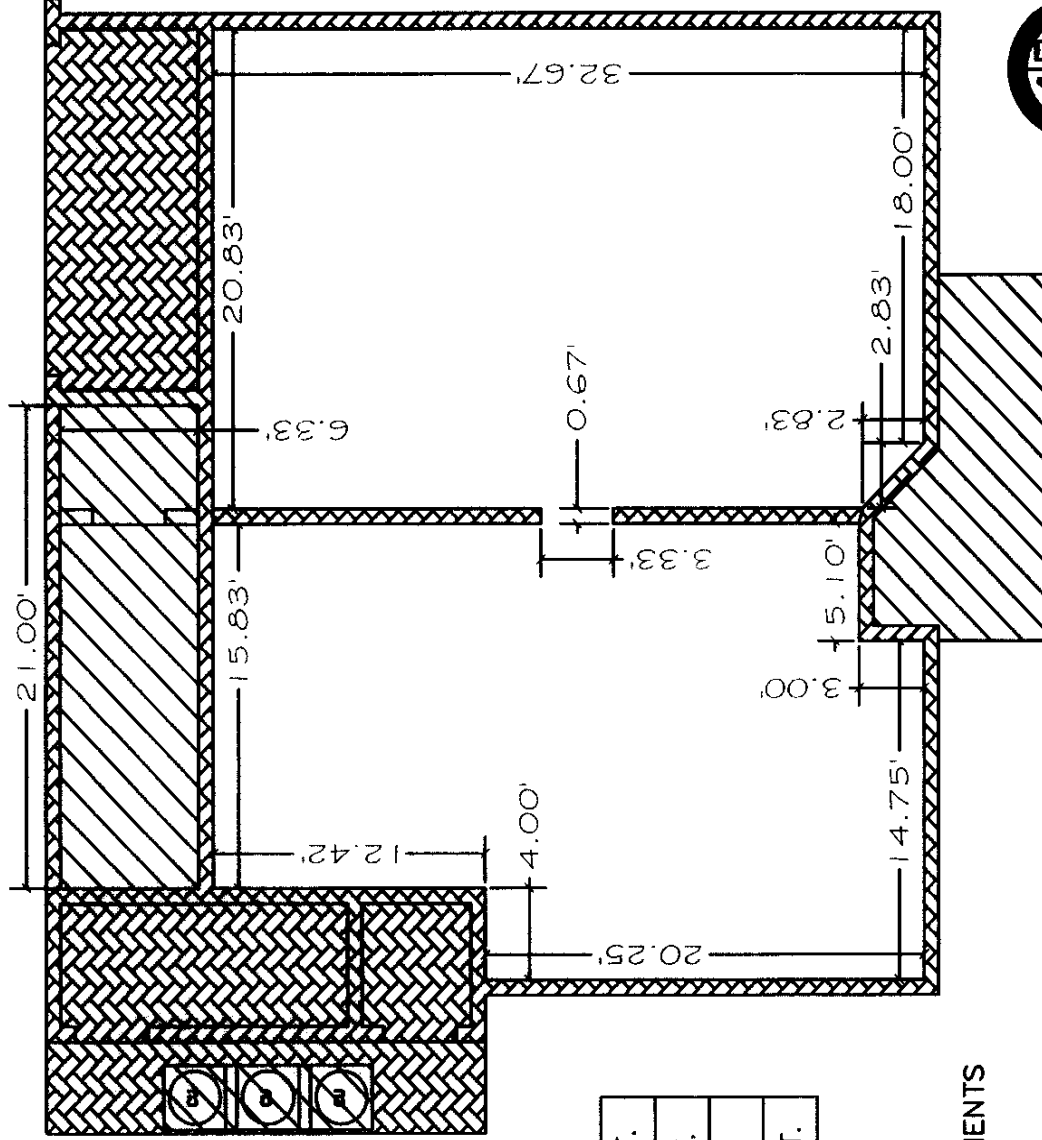
SHEET 11

ELEVATIONS

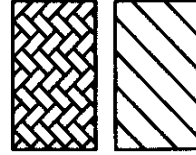
IL VILLAGIO CONDOMINIUM ONE

Book 12091 Page 302

BUILDING 2000
UNIT 2001
IL PALERMO 15
'A' MODEL



UNIT	1262 SQ. FT.
BALCONY	133 SQ. FT.
ENTRY	98 SQ. FT.
TOTAL	1493 SQ. FT.



COMMON ELEMENTS

NOTE:

BALCONIES, PATIOS AND AIR CONDITIONER UNITS
ARE LIMITED COMMON ELEMENTS (LCE).



Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

1478 E. 7th Avenue, Suite 100, Denver, CO 80202
Tel: (303) 733-1100

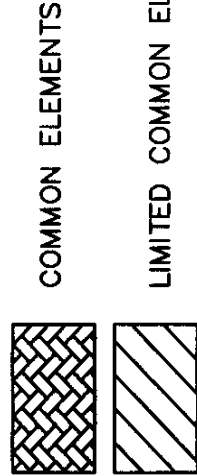
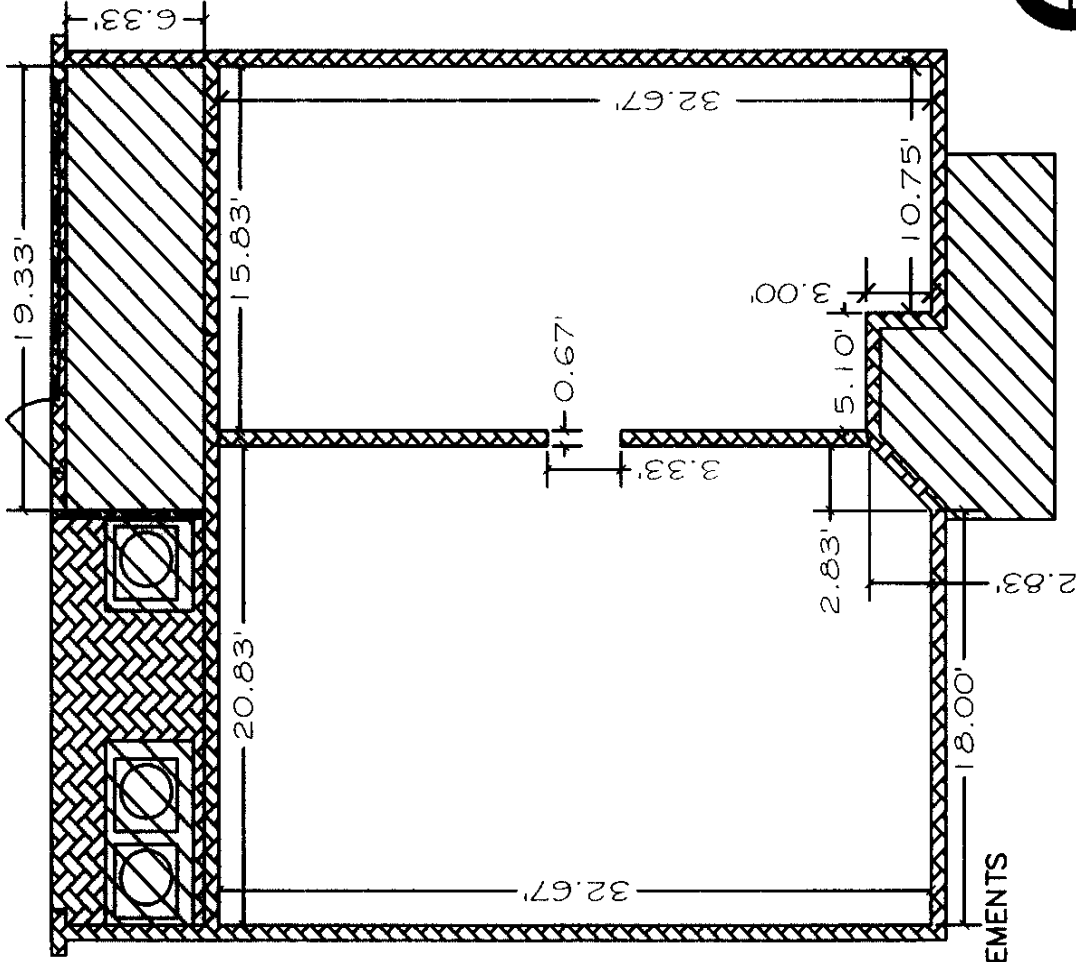
DATE SEPTEMBER 17, 2004

IL VILLAGIO CONDOMINIUM ONE

Book 12091 Page 304

UNIT	1181 SQ. FT.
BALCONY	122 SQ. FT.
ENTRY	98 SQ. FT.
TOTAL	1401 SQ. FT.

**BUILDING 2000
UNIT 2004
IL PALERMO 15
'B' MODEL REV.**



NOTE:

BALCONIES, PATIOS AND AIR CONDITIONER UNITS
ARE LIMITED COMMON ELEMENTS (LCE).



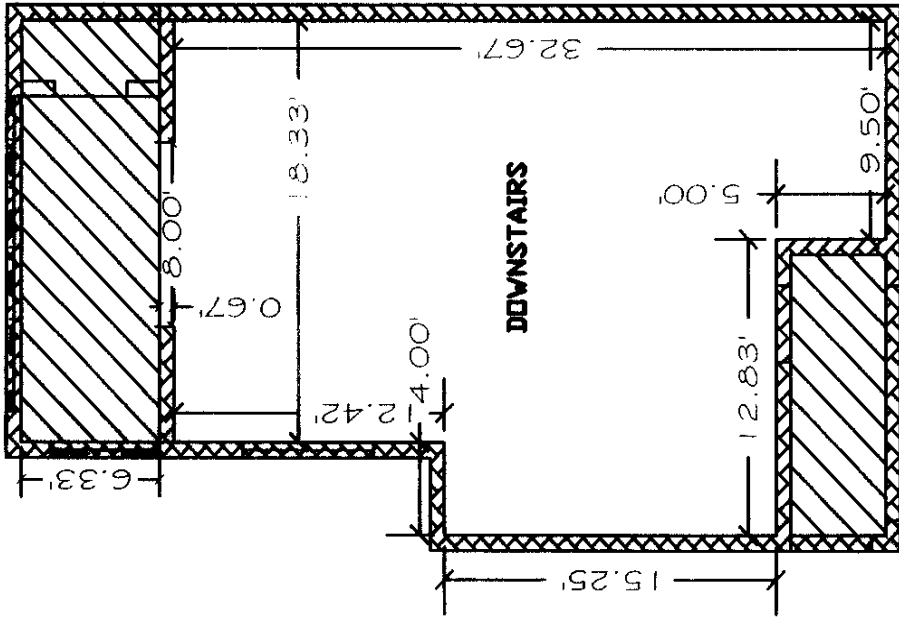
Robert M. Angas Associates, Inc.
LAND SURVEYOR, PLANNING AND CIVIL ENGINEERS

14725 W. Augustine Road, Jacksonville, FL 32226 Tel: (904) 640-0000
Certificate of Authorization No. 13 2004

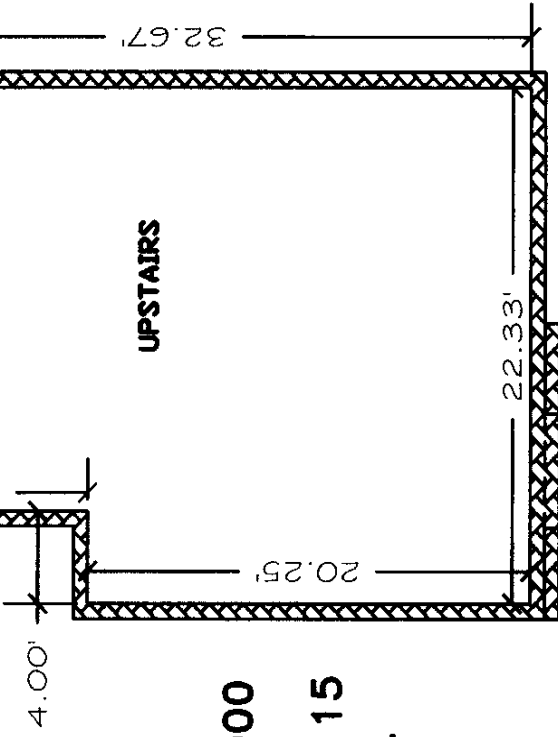
DATE SEPTEMBER 17, 2004

IL VILLAGIO CONDOMINIUM ONE

Book 12091 Page 306



UNIT	1301 SQ. FT.
BALCONY	116 SQ. FT.
ENTRY	53 SQ. FT.
TOTAL	1470 SQ. FT.



**BUILDING 2000
UNIT 2021
IL PALERMO 15
'C' MODEL**



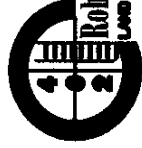
COMMON ELEMENTS



LIMITED COMMON ELEMENTS

NOTE:

BALCONIES, PATIOS AND AIR CONDITIONER UNITS
ARE LIMITED COMMON ELEMENTS (LCE).



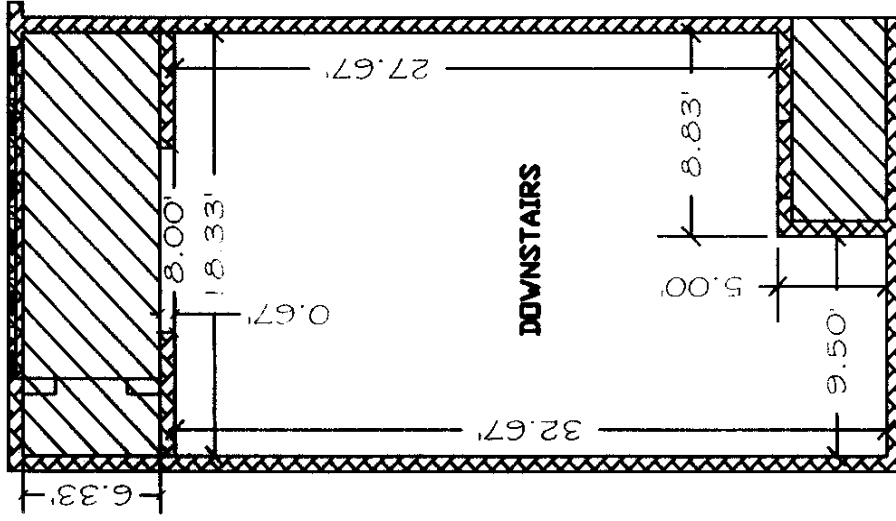
Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

10778 St. Augustine Road, Jacksonville, FL 32256 Tel: (904) 944-0800
FACSIMILE: (904) 944-0801

DATE SEPTEMBER 17, 2004

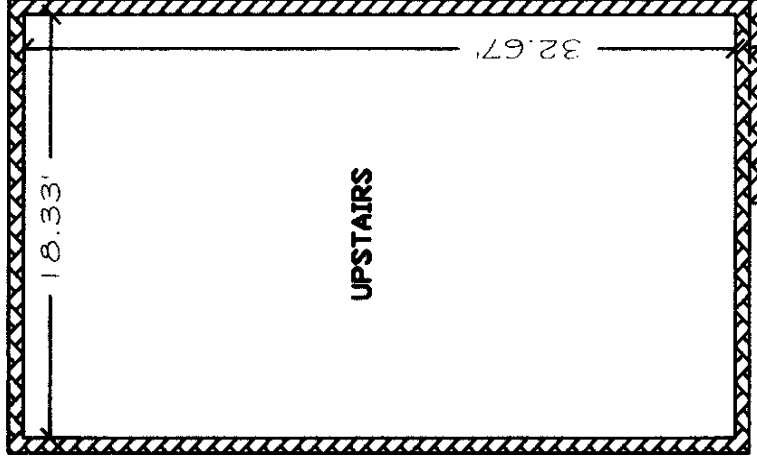
IL VILLAGIO CONDOMINIUM ONE

BOOK 12091 Page 307



UNIT	1159 SQ. FT.
BALCONY	116 SQ. FT.
ENTRY	38 SQ. FT.
TOTAL	1313 SQ. FT.

UPSTAIRS



BUILDING 2000
UNIT 2022
IL PALERMO 15
'D' MODEL



COMMON ELEMENTS



LIMITED COMMON ELEMENTS

NOTE:

BALCONIES, PATIOS AND AIR CONDITIONER UNITS
ARE LIMITED COMMON ELEMENTS (LCE).



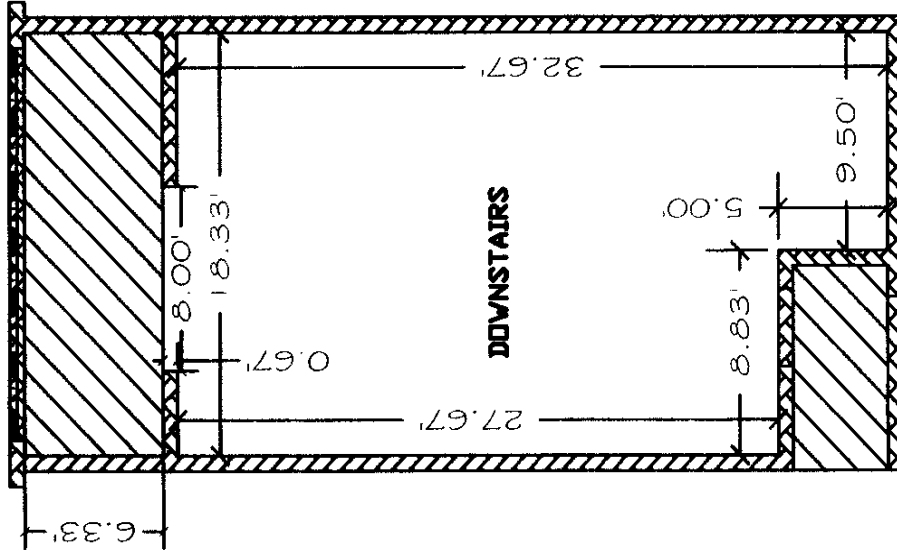
Robert M. Augas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

1475 St. Augustine Road, Suite 100, Ft. Myers, FL 33903 Tel: (889) 648-8880
Certificate of Registration No. 18 2004

DATE SEPTEMBER 17, 2004

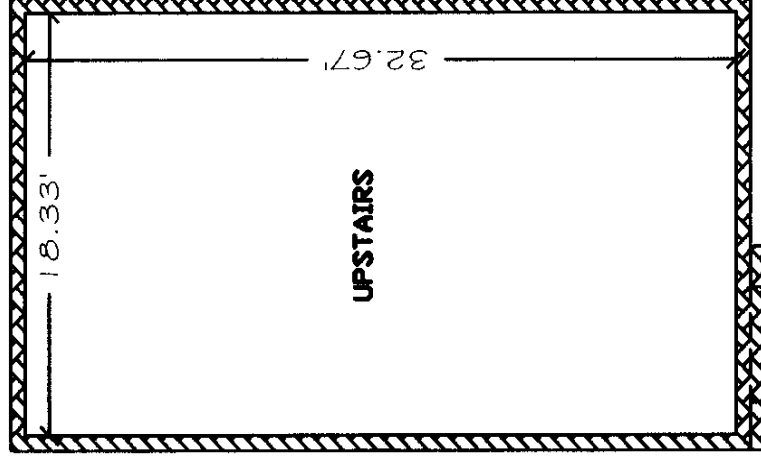
IL VILLAGIO CONDOMINIUM ONE

Book 12091 Page 308



UNIT	1159 SQ. FT.
BALCONY	116 SQ. FT.
ENTRY	38 SQ. FT.
TOTAL	1313 SQ. FT.

DOWNSTAIRS

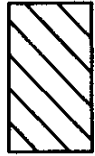


UPSTAIRS

BUILDING 2000
UNIT 2023,
2025 & 2027
IL PALERMO 15
'E' MODEL



COMMON ELEMENTS



LIMITED COMMON ELEMENTS

NOTE:

BALCONIES, PATIOS AND AIR CONDITIONER UNITS
ARE LIMITED COMMON ELEMENTS (LCE).

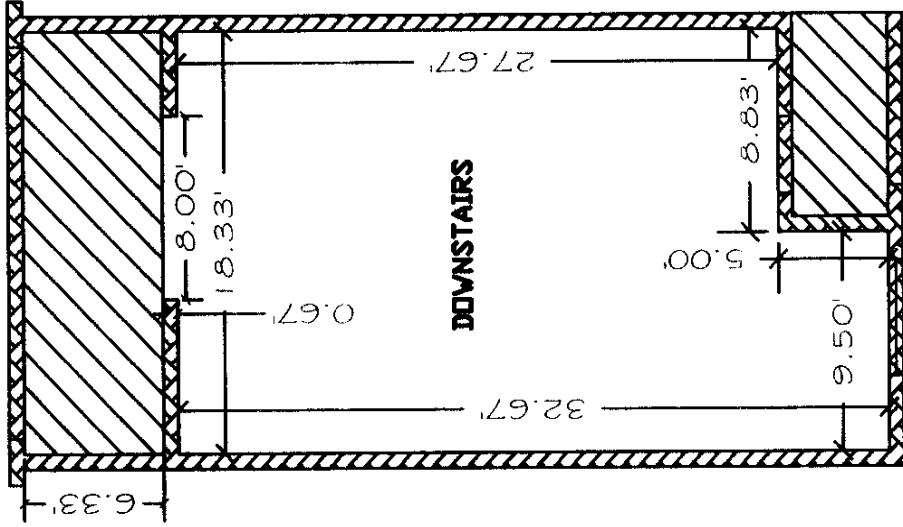


Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

15775 SW Augustine Road, Jacksonville, FL 32226 Tel: (904) 644-4400
Certificate of Registration No. 13,784

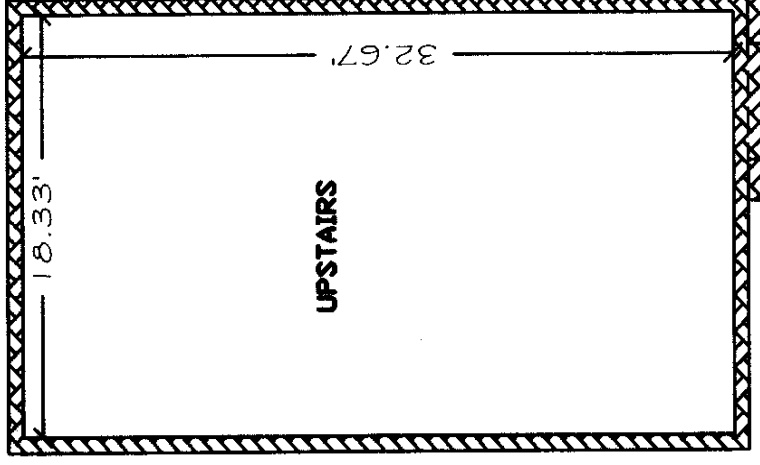
DATE SEPTEMBER 17, 2004

IL VILLAGIO CONDOMINIUM ONE

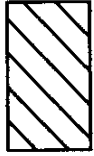


UNIT	1159 SQ. FT.
BALCONY	116 SQ. FT.
ENTRY	38 SQ. FT.
TOTAL	1313 SQ. FT.

**BUILDING 2000
UNIT 2024, 2026
& 2028
IL PALERMO 15
'E' MODEL REV.**



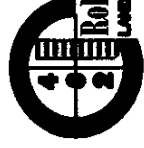
COMMON ELEMENTS



LIMITED COMMON ELEMENTS

NOTE:

BALCONIES, PATIOS AND AIR CONDITIONER UNITS
ARE LIMITED COMMON ELEMENTS (LCE).



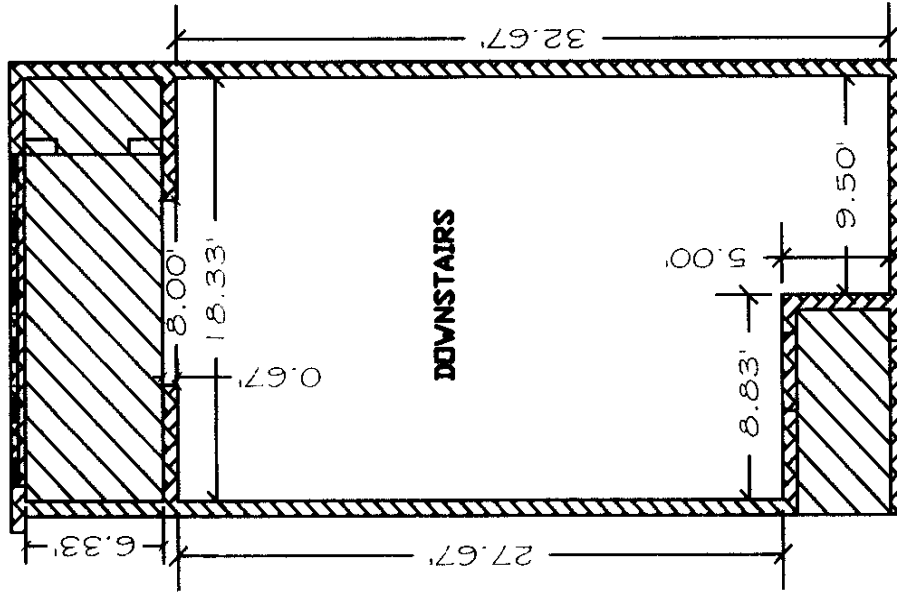
Robert M. Angas Associates, Inc.
LEAD SURVEYORS, PLANNERS AND CIVIL ENGINEERS

1475 N. Lawrence Road, Schaumburg, IL 60196
Telephone: (815) 399-3300 Fax: (815) 399-3300

DATE SEPTEMBER 17, 2004

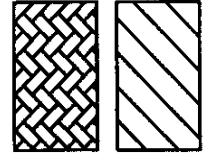
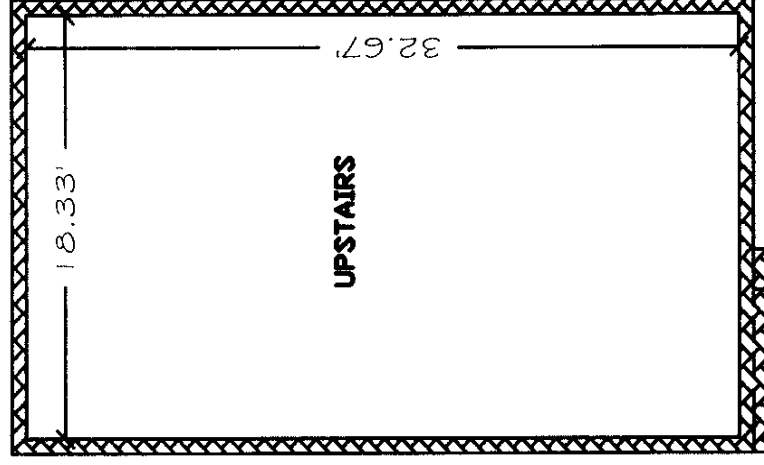
IL VILLAGIO CONDOMINIUM ONE

Book 12091 Page 310



UNIT	1159 SQ. FT.
BALCONY	116 SQ. FT.
ENTRY	38 SQ. FT.
TOTAL	1313 SQ. FT.

BUILDING 2000
UNIT 2029
IL PALERMO 15
'D' MODEL REV.



COMMON ELEMENTS

LIMITED COMMON ELEMENTS

NOTE:

BALCONIES, PATIOS AND AIR CONDITIONER UNITS
ARE LIMITED COMMON ELEMENTS (LCE).

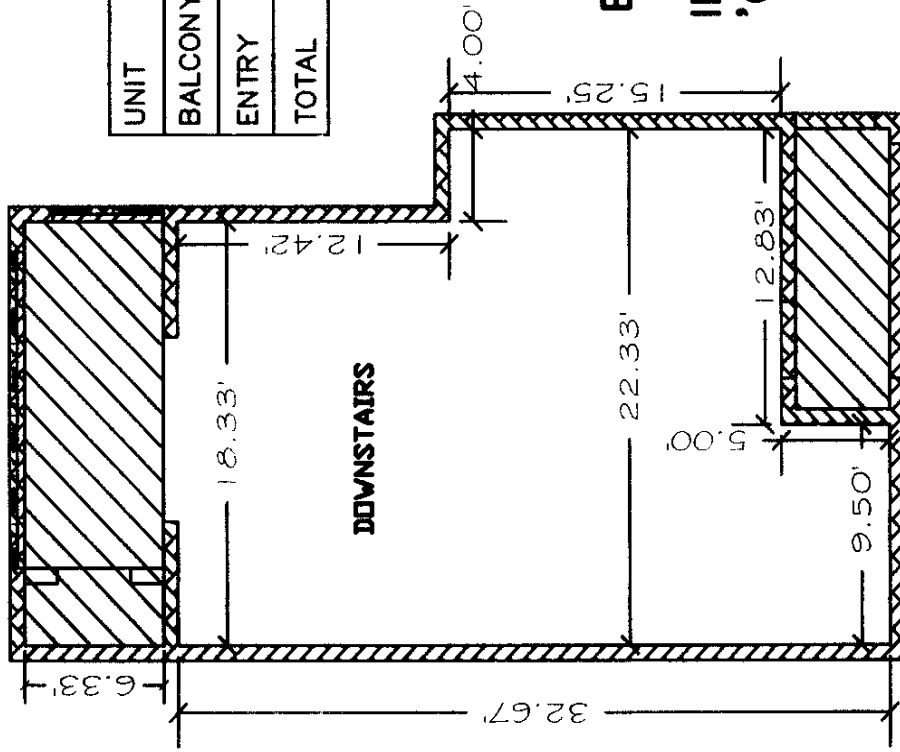


Robert M. Angas Associates, Inc.
LAND SURVEYORS, PLANNERS AND CIVIL ENGINEERS

1575 E. American Blvd., Jacksonville, FL 32202 Tel: (904) 646-0800
Certificate of Registration No. 12333

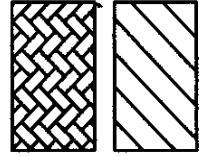
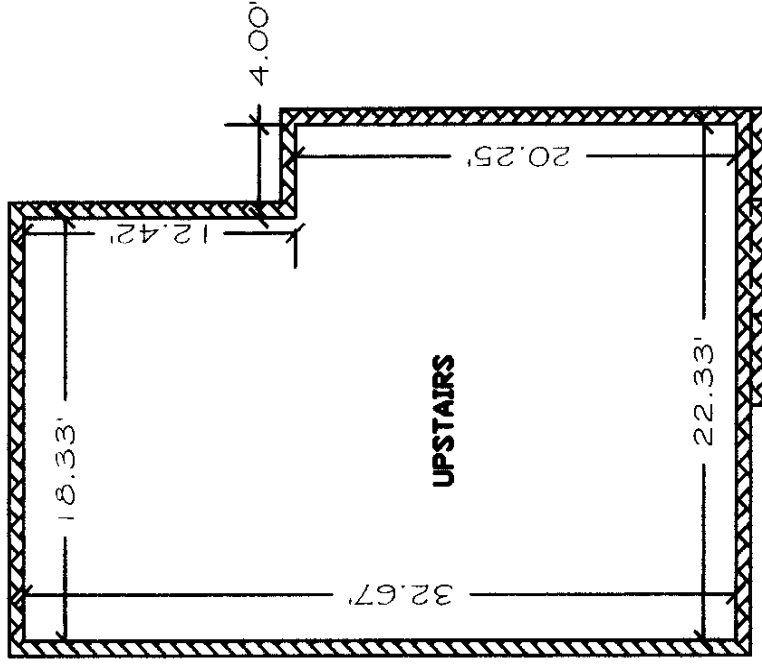
DATE SEPTEMBER 17, 2004

IL VILLAGGIO CONDOMINIUM ONE



UNIT	1301 SQ. FT.
BALCONY	116 SQ. FT.
ENTRY	53 SQ. FT.
TOTAL	1470 SQ. FT.

**BUILDING 2000
UNIT 2030
IL PALERMO 15
'C' MODEL REV.**



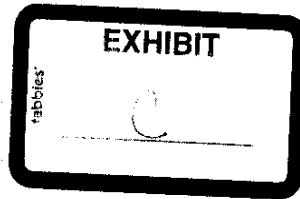
NOTE:
BALCONIES, PATIOS AND AIR CONDITIONER UNITS
ARE LIMITED COMMON ELEMENTS (LCE).



Robert M. Angas Associates, Inc.
LEAD SURVEYORS, PLANNERS AND CIVIL ENGINEERS

14776 St. Augustine Road, Jacksonville, FL 32226 Tel: (904) 646-6800
Certified Professional Surveyors and Professional Engineers

DATE SEPTEMBER 17, 2004



SCHEDULE OF PERCENTAGE INTERESTS

IL VILLAGIO CONDOMINIUM ONE

Schedule of each unit's undivided share of ownership of the common elements and common surplus and liability for common expenses

<u>Unit Number</u>	<u>Unit Sq. Ft.</u>	<u>% Total Sq. Ft.</u>
A-2001	1,262	7.04%
B-2002	1,181	6.58%
B-2003	1,181	6.58%
B-2004	1,181	6.58%
A-2005	1,262	7.04%
C-2021	1,301	7.25%
D-2022	1,159	6.46%
D-2023	1,159	6.46%
D-2024	1,159	6.46%
D-2025	1,159	6.46%
E-2026	1,159	6.46%
E-2027	1,159	6.46%
E-2028	1,159	6.46%
D-2029	1,159	6.46%
C-2030	1,301	7.25%
	17,941	100.00%

EXHIBIT

Book 12091 Page 313

State of Florida



Department of State

I certify from the records of this office that IL VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on September 15, 2004.

The document number of this corporation is N04000008879.

I further certify that said corporation has paid all fees due this office through December 31, 2004, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Fifteenth day of September, 2004



CR2EO22 (2-03)

Glenda E. Hood

Glenda E. Hood
Secretary of State

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of IL VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION, INC., a Florida corporation, filed on September 15, 2004, as shown by the records of this office.

The document number of this corporation is N04000008879.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Fifteenth day of September, 2004



CF2EO22 (2-03)

Glenda E. Hood

Glenda E. Hood
Secretary of State

**ARTICLES OF INCORPORATION
FOR
IL VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION, INC.**

The undersigned, for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, does hereby adopt the following articles of incorporation.

**ARTICLE I.
NAME**

The name of the corporation shall be Il Villagio Neighborhood I Condominium Association, Inc. For convenience, the corporation shall be referred to in this instrument as the "Association", these Articles of Incorporation as the "Articles" and the Bylaws of the Association as the "Bylaws".

**ARTICLE II.
DEFINITIONS**

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

**ARTICLE III.
PURPOSE**

The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act (the "Act") as it exists on the date hereof for the operation of the condominiums to be known as Il Villagio Condominium One, Il Villagio Condominium Two, Il Villagio Condominium Three, Il Villagio Condominium Four and Il LVillagio Condominium Five, located in Duval County, Florida (collectively, all five condominiums herein referred to as the "Condominiums").

**ARTICLE IV.
POWERS**

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

4.1 **General.** The Association shall have all of the common law and statutory powers of a corporation not for profit under the laws of Florida that are not in conflict with the provisions of these Articles, the Declaration, the Bylaws or the Act.

4.2 **Enumeration:** The Association shall have all of the powers and duties reasonably necessary to operate the Condominium pursuant to the Declaration, and as more particularly described in the Bylaws, as the Declaration and Bylaws may be amended from time to time, including, but not limited to, the following:

(a) To make and collect Assessments, Special Assessments and other charges against members as Unit Owners, and to use the proceeds thereof in the exercise of its powers and duties.

(b) To buy, own, operate, lease, sell, trade and mortgage both real and personal property as may be necessary or convenient in the administration of the Condominiums.

(c) To maintain, repair, replace, reconstruct, add to and operate the Condominium, and other property acquired or leased by the Association for use by Unit Owners.

(d) To purchase insurance upon the Condominiums and insurance for the protection of the Association, its officers, directors and members as Unit Owners.

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TALLAHASSEE, FLORIDA

(e) To make and amend reasonable rules and regulations for the maintenance, conservation and use of the Condominiums and for the health, comfort, safety and welfare of the Unit Owners.

(f) To approve or disapprove the leasing, transfer, mortgaging, ownership and possession of Units as may be provided by the Declaration.

(g) To enforce by legal means the provisions of the Act, the Declaration, these Articles, the Bylaws, and the rules and regulations for the use of the Condominiums.

(h) To contract for the management and maintenance of the Condominiums and to authorize a management agent (which may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, Special Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Act, including but not limited to the making of Assessments, Special Assessments, promulgation of rules and the execution of contracts on behalf of the Association.

(i) To employ personnel to perform the services required for the proper operation of the Condominiums.

4.3 Assets of the Association. All funds and the titles of all properties acquired by the Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles and the Bylaws.

4.4 Distribution of Income; Dissolution. The Association shall make no distribution of income to its members, directors or officers, and upon dissolution all assets of the Association shall be transferred to a profit corporation or a public agency, except in the event of a termination of all the Condominium or as otherwise authorized under Chapter 617 of Florida Statutes.

4.5 Limitation: The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration, the Bylaws and the Act.

ARTICLE V. MEMBERS

5.1 Membership: The members of the Association shall consist of all of the record owners of Units in each of the Condominiums from time to time, and after termination of any or all of the Condominiums shall consist of those who were members at the time of such termination, and their successors and assigns. The membership in the Association shall be divided into classes, with a class of members for each Condominium and with each class having the same name identification as the Condominium, and created by the Declaration; for example, in Il Villagio Condominium One, the members shall be the Class Il Villagio Condominium One members. The voting rights or limitation of each class shall be as set forth in the next paragraph of this Section 5.1.

On all matters as to which the membership shall be entitled to vote, whether at large or by class, as hereinafter provided, there shall be only one vote for each Unit, which vote shall be exercised in the manner provided by the Declarations of Condominium and the Bylaws. The matters which require the vote of the membership shall be voted on as follows:

(a) Matters relating to an individual Condominium shall be voted on by the class of members owning condominium parcels in that Condominium;

(b) Matters relating to more than one individual condominium shall be voted on by the class of members owing condominium parcels in the Condominium involved;

(c) Matters relating to the Association, as a whole, or to all of the Condominiums, shall be voted on by the membership at large.

The decision as to whether a matter relates to one or more Condominiums or to the Association, as a whole, or to all of the Condominiums, shall be determined by the Board of Administration, whose decision shall be conclusive; provided, however, that no action or resolution which shall require the vote of the membership because of any provision in the Declarations of Condominium or in the Bylaws or in the Act, shall be effective with regard to any part of a Condominium unless the membership class of that Condominium shall have voted on said action or resolution.

5.2 Assignment: The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit for which that share is held.

5.3 Voting: On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Unit, which vote shall be exercised or cast in the manner provided by the Declaration and Bylaws. Any person or entity owning more than one Unit shall be entitled to one vote for each Unit owned.

5.4 Meetings: The Bylaws shall provide for an annual meeting of members, and may make provision for regular and special meeting of members other than the annual meeting.

ARTICLE VI.
TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE VII.
INCORPORATOR

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

<u>NAME</u>	<u>ADDRESS</u>
Robert M. Haber	520 Brickell Key Drive Suite O-305 Miami, FL 33131

ARTICLE VIII.
OFFICERS

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

PRESIDENT:	Jorge Ortega 9745 Touchton Road Jacksonville, Florida 32246
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VICE PRESIDENT:	Eduardo Avila 2601 South Bayshore Drive, Suite 200 Miami, Florida 33133
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SECRETARY/TREASURER: Steve Sissel
 9745 Touchton Road
 Jacksonville, Florida 32246

ARTICLE IX.
DIRECTORS

9.1 Number and Qualification. The property, business and affairs of the Association shall be managed by a Board consisting of the number of directors determined in the manner provided by the Bylaws but which shall consist of not less than three directors. Each of the Condominiums operated by the Association shall be entitled to elect one director. Except for Directors appointed by the Developer, all Directors must be members (Unit Owners) of the Association. The five members of the Board of the Association shall be the Neighborhood Voting Members (as the term Neighborhood Voting Members is defined in Article IV of the Articles of Incorporation of the Il Villagio Community Association, Inc., the Association's representatives to the Il Villagio Community Association, Inc.

9.2 Duties and Powers. All of the duties and powers of the Association existing under the Act, the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board of Administration, its agents, contractors or employees, subject only to approval by Unit Owners when such approval is specifically required.

9.3 Election; Removal. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by and subject to the qualifications set forth in the Bylaws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the Bylaws.

9.4 Term of Developer's Directors: The Developer of the Condominium shall appoint the members of the first Board of Administration and their replacements who shall hold office for the periods described in the Bylaws.

9.5 First Directors. The names and addresses of the members of the first Board of Administration who shall hold office until their successors are elected and have qualified, as provided in the Bylaws, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Jorge Ortega	9745 Touchton Road Jacksonville, Florida 32246
Eduardo Avila	2601 South Bayshore Drive, Suite 200 Miami, Florida 33133
Steven Sissel	9745 Touchton Road Jacksonville, Florida 32246

ARTICLE X.
INDEMNIFICATION

10.1 Indemnity: The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceedings, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the

Association, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

10.2 Expenses. To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

10.3 Approval. Any indemnification under Section 10.1 above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Section 10.1 above. Such determination shall be made (a) by the Board of Administration by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or by a majority of the voting interests of the members.

10.4 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Administration in any specific case upon receipt of an undertaking by or on behalf of the affected Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Section 10.

10.5 Miscellaneous: The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

ARTICLE XI. BYLAWS

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

ARTICLE XII. AMENDMENTS

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

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

12.2 Adoption. Amendments shall be proposed and adopted in the manner provided in Chapter 617, Florida Statutes and in the Act (the latter to control over the former to the extent provided for in the Act).

12.3 Limitation. Provided, however, that no amendment shall make any changes in the qualifications of membership nor in the voting rights or property rights of members, nor any changes in Sections 4.3, 4.4 and 4.5 of Article IV, entitled "Powers", without the approval in writing of all members and the joinder of all record owners of mortgages upon Units. No amendment shall be made that is in conflict with the Act, the Declaration or the Bylaws, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the amendment.

12.4 Recording. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the public records of Duval County, Florida.


ARTICLE XIII.
INITIAL REGISTERED OFFICE; ADDRESS AND
NAME OF REGISTERED AGENT

The initial registered office of the Association shall be at 520 Brickell Key Drive, Suite O-305, Miami, Florida 33131, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be Robert M. Haber.

ARTICLE XIV.
PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office of the Association and the mailing address shall be 9745 Touchton Road, Jacksonville, Florida 32246.

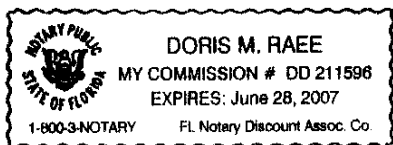
IN WITNESS WHEREOF, the incorporator has affixed his signature this 14 day of September, 2004.

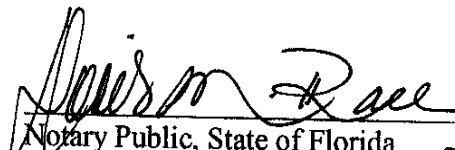

Robert M. Haber

ACKNOWLEDGMENT

STATE OF FLORIDA)
)§.
COUNTY OF MIAMI-DADE)

The foregoing Articles of Incorporation was acknowledged before me this 14 day of September, 2004 by Robert M. Haber. He is personally known to me or produced _____ as identification and did not take an oath.




Notary Public, State of Florida
Printed Name: DORIS M. RAE
Commission No.: DD 211596
My Commission Expires: 6/28/07

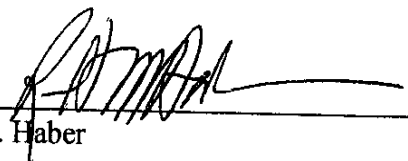
**CERTIFICATE DESIGNATING THE ADDRESS
AND AN AGENT UPON WHOM PROCESS MAY BE SERVED**

In compliance with the laws of Florida, the following is submitted:

That Il Villagio Neighborhood I Condominium Association, Inc., desiring to organize under the laws of the State of Florida with its principal office, as indicated in the foregoing Articles of Incorporation, at City of Jacksonville, County of Duval, State of Florida, the corporation named in the said articles has named Robert M. Haber, 520 Brickell Key Drive, Suite O-305, Miami, Florida 33131, as its statutory registered agent.

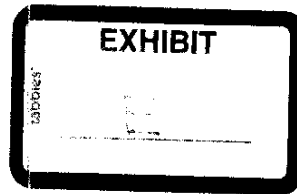
Having been named the statutory agent of said corporation at the place designated in this Certificate, I hereby accept the same and agree to act in this capacity, and that I am familiar with and accept the obligations of Florida Statutes, Section 617.05001.

DATED: September 14, 2004.



Robert M. Haber

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TALLAHASSEE FLORIDA



**BYLAWS
OF
IL VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION, INC.**

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

1. **Identity.** These are the Bylaws of IL VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION, INC. (the "Association"), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purpose of administering those certain Condominiums located in Duval County, Florida, and known as Il Villagio Condominium One, Il Villagio Condominium Two, Il Villagio Condominium Three, Il Villagio Condominium Four and Il Villagio Condominium Five.
 - 1.1 **Principal Office.** The principal office of the Association shall be at 9745 Touchton Road, Jacksonville, Florida 32246, or at such other place as may be subsequently designated by the Board of Administration. All books and records of the Association shall be kept at its principal office.
 - 1.2 **Fiscal Year.** The fiscal year of the Association shall be the calendar year.
 - 1.3 **Seal.** The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. **Definitions.** For convenience, these Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these Bylaws shall have the same definition and meaning as those set forth in the Articles or Declaration for the Condominium, unless herein provided to the contrary, or unless the context otherwise requires.
3. **Members.** The members of the Association ("Members") shall be as specified in the Articles.
 - 3.1 **Annual Meeting.** The annual Members' meeting shall be held on the date, at the place and at the time determined by the Board of Administration from time to time, provided that there shall be an annual meeting every calendar year. To the extent possible, the annual meeting shall be held during September, October, November or December and no later than 12 months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the Members, or as stated in the notice of the meeting sent to Unit Owners in advance thereof.
 - 3.2 **Special Meeting.** Special Members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Administration of the Association. A special meeting must be called by the President or Secretary upon receipt of a written request from a majority of the Members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Additionally, special Members' meetings may be called by ten percent of the Members of the Association to recall a member or members of the Board of Administration or as provided for in Section 9.1(a)(ii) hereof.

- 3.3 Notice of Meeting; Waiver of Notice. Written notice of a meeting of Members stating the time and place and an agenda for which the meeting is called shall be given by the President or Secretary. A copy of the notice shall be mailed or delivered to each Unit Owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the Condominium Property or Association Property at least 14 continuous days preceding the annual meeting. Upon notice to the Unit Owners, the Board shall by duly adopted rule designate a specific location on the Condominium Property or the Association Property upon which all notices of Unit Owner meetings shall be posted. The notice of the annual meeting shall be hand delivered or sent by mail to each Unit Owner, unless the Unit Owner waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the Member as it appears on the roster of Members described in Section 10 hereof.

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

- 3.4 Members' Participation in Meetings. Members shall have the right to participate in meetings of Members with reference to all designated agenda items. However, the Association may adopt reasonable rules governing the frequency, duration and manner of Member participation. Any Member may tape record or video tape a meeting of Members subject to reasonable rules adopted by the Division of Florida Land Sales, Condominium and Mobile Homes (the "Division").

- 3.5 Quorum. Except as otherwise herein provided and in Section 4.2 of these Bylaws, a quorum at Members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast one-third of the votes of Members. There shall be no quorum requirement or minimum number of votes necessary for the election of Directors; however at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Administration.

3.6 Voting.

- (a) Number of Votes. In any meeting of Members, the Owners of Units shall be entitled to cast one vote for each Unit owned. The vote of a Unit shall not be divisible.
- (b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Unit Owners for all purposes except where otherwise provided by law, the Declaration, the Articles or these Bylaws. As used in these Bylaws, the Articles or the Declaration, the terms "majority of the Unit Owners" and "majority of the Members" shall mean a majority of the votes of Members and not a majority of the Members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Unit Owners at which a quorum shall have been attained. Similarly, if some greater percentage of Members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of Members and not of the Members themselves.
- (c) Voting Member. If a Unit is owned by one person, his right to vote shall be established by the roster of Members. If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit according to the roster of Unit Owners and filed with the Secretary of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an appropriate officer of the corporation and filed with the Secretary of the Association. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A

certificate designating the person entitled to cast the vote for a Unit may be revoked by any record owner of an undivided interest in the Unit. If a certificate designating the person entitled to cast the vote for a Unit is not on file or has been revoked, the vote of the Owner(s) of such Unit shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed, except if the Unit is owned jointly by a husband and wife. If a Unit is owned jointly by a husband and wife, they may, without being required to do so, designate a voting Member in the manner provided above. In the event a husband and wife do not designate a voting member, the following provisions shall apply:

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

3.7 Proxies. Members may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to (a) waive or reduce reserves (b) waive financial statement requirements (c) amend the Declaration (d) amend the Articles or Bylaws; and for any other matter for which the Condominium Act requires or permits a vote of the Unit Owners. Except as provided in Section 4.2, no proxy, limited or general, shall be used in the election of the Board of Administration. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this subparagraph, Members may vote in person at Members' meetings. A proxy may be made by any person entitled to vote, but shall only be effective for the specific meeting for which originally given and any lawfully adjourned meetings thereof. 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 person executing it. A proxy must be filed in writing, signed by the person authorized to cast the vote for the Unit (as above described) and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned.

3.8 Adjourned Meetings. If any proposed meeting, other than for the election of Directors, cannot be organized because a quorum has not been attained, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Proxies given for the adjourned meeting shall be valid for the newly scheduled meeting.

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

- (a) Ballots not yet cast shall be collected;
- (b) Call to order by President;
- (b) Appointment by the President of a chairman of the meeting (who need not be a Member or a Director);

- (c) Proof of notice of the meeting or waiver of notice;
- (d) Reading of minutes;
- (e) Reports of officers;
- (f) Reports of committees;
- (g) Appointment of inspectors of election;
- (h) Determination of number of Directors;
- (i) Election of Directors;
- (j) Unfinished business;
- (k) New business;
- (l) Adjournment.

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

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

3.11 Action Without A Meeting. Except for those approvals by Unit Owners required by the Condominium Act, the Declaration, or these Bylaws to be made at a duly noticed meeting of Unit Owners which shall be subject to all requirements of the Condominium Act, or the Declaration, Articles or these Bylaws relating to Unit Owner decision-making, any action which may be taken at any annual or special meeting of such Members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken shall be signed by the Members (or persons authorized to cast the vote of any such Member as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of such Members at which a quorum of such Members (or authorized persons) entitled to vote thereon were present and voted.

Within 10 days after obtaining such authorization by written consent, notice must be given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

4. Directors.

4.1 Membership and Representation. The affairs of the Association shall be managed and governed by a Board of not less than three, nor more than five Directors, the exact number initially to be as set forth in the Articles, and thereafter, except as provided herein, to be determined from time to time upon majority vote of the membership. Except for Directors appointed by the Developer, all Directors shall be Unit Owners.

4.2 Election of Directors. The Board of Administration shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the Board of Directors at general elections or to fill vacancies caused by resignation, or otherwise, provided, however, that limited proxies may be used to fill a vacancy resulting from the recall of a Director, in the manner provided by the rules of the Division. The different voting and election procedures may provide for elections to be conducted by limited or general proxy. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each Unit Owner entitled to vote, a first notice of the date of the election. Any Unit Owner or other eligible person desiring to be a candidate for the

Board of Administration must give written notice to the Association not less than 40 days before a scheduled election. Together with the written notice and agenda as set forth in paragraph 3.3, the Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8-1/2 inches by 11 inches which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20% of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Administration. There shall be no cumulative voting. No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A Unit Owner who needs assistance in casting the ballot for reasons of blindness, disability or inability to read or write may obtain assistance in casting the ballot. Any Unit Owner violating this provision may be fined by the Association in accordance with the provisions of the Condominium Act and these Bylaws. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions in this Section 4.2, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

4.3 Vacancies and Removal

- (a) Except as to vacancies resulting from removal of Directors by Members, vacancies in the Board of Administration occurring between annual meetings of Members shall be filled by majority action of the remaining Directors, provided that all vacancies in directorships to which Directors were appointed by the Developer pursuant to the provisions of paragraph 4.14 hereof shall be filled by the Developer without the necessity of any meeting. The action of the remaining Directors to fill the vacancy shall be by closed ballot.
- (b) Any Director elected by the Members (other than the Developer) may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. The methods of recall are provided for in the Condominium Act and the rules of the Division. The conveyance of all Units owned by a Director in the Condominium who owned one or more Units at the time he was elected or appointed (other than appointees of the Developer) shall constitute the resignation of such Director.
- (c) Until a majority of the Directors are elected by the Members other than the Developer of the Condominium, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Developer, shall be subject to removal by Members other than the Developer. The first Directors and Directors replacing them may be removed and replaced by the Developer without the necessity of any meeting. Notwithstanding the foregoing, any Director elected by Members other than Developer may be recalled and replaced by the Members other than the Developer.
- (d) If a vacancy on the Board of Administration results in there being no incumbent Directors, any Unit Owner may apply to the Circuit Court within whose jurisdiction the Condominium lies for the appointment of a receiver to manage the affairs of the Association. At least 30 days prior to applying to the Circuit Court, the Unit Owner shall mail to the Association and post in a conspicuous place on the Condominium Property or Association Property a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these Bylaws. If, during such time, the Association fails to fill the vacancy(ies), the Unit Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly

constituted Board of Administration, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these Bylaws.

- 4.4 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the Members and subsequently until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided. Notwithstanding the foregoing, any Director designated by the Developer shall serve at the pleasure of the Developer and may be removed and replaced by the Developer at any time.
- 4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed members of the Board of Administration shall be held within ten days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed.
- 4.6 Board Meetings. Meetings of the Board of Administration at which a quorum of the members is present shall be open to all Unit Owners. Any Unit Owner may tape record or videotape meetings of the Board of Administration. The right to attend meetings includes the right to speak at such meetings with reference to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements. Adequate notice of all meetings, which notice shall include an agenda, shall be posted conspicuously on the Condominium Property or Association Property at least 48 continuous hours preceding the meeting except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. However, written notice of any meeting at which non-emergency Special Assessments, or at which new rules, or amendments to existing rules regarding Unit use will be considered, shall be mailed or delivered to the Unit Owners and posted conspicuously on the Condominium Property or Association Property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice requirement shall be made by an affidavit executed by the person providing the notice of the meeting and filed among the official records of the Association. Upon notice to the Unit Owners, the Board shall by duly adopted rule designate a specific location on the Condominium Property or Association Property upon which all notices of Board meetings shall be posted. If there is no Condominium Property or Association Property upon which notices can be posted, notices of Board meetings shall be mailed or delivered at least 14 days before the meeting to each Unit Owner. Notice of any meeting in which Assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Meetings of a committee to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are subject to the provisions of this Section 4.6. However, meetings of a committee that neither take final action on behalf of the Board nor make recommendations to the Board regarding the Association budget, shall be subject to the provisions of this Section 4.6. A Director of the Association who is present at a meeting of its Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at Board meetings, except that officers may be elected by secret ballot. A vote or abstention for each Director present shall be recorded in the minutes.
- 4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.
- 4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the then incumbent Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Administration,

except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these Bylaws.

- 4.9 Adjourned Meetings. If, at any proposed meeting of the Board of Administration, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted.
- 4.10 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).
- 4.11 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:
- (a) Proof of due notice of meeting;
 - (b) Reading and disposal of any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;
 - (f) New business;
 - (g) Adjournment.

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

- 4.12 Minutes of Meetings. The minutes of all meetings of the Board of Administration shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 4.13 Executive Committee; Other Committees. The Board of Administration may, by resolution duly adopted, appoint an Executive Committee to consist of three or more members of the Board of Administration. Such Executive Committee shall have and may exercise all of the powers of the Board of Administration in management of the business and affairs of the Condominium or Association during the period between the meetings of the Board of Administration insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Expenses required for the affairs of the Condominium or Association, (b) to determine the Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium or Association, (c) to adopt or amend any rules and regulations covering the details of the operation and use of the Condominium Property, or (d) to exercise any of the powers set forth in paragraph (h) and (q) of Section 5 below.

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

- 4.14 Proviso. Notwithstanding anything to the contrary contained in this Section 4 or otherwise, the Board shall consist of three Directors during the period that the Developer is entitled to appoint a majority of the Directors, as hereinafter provided. The Developer shall have the right to appoint all of the members of the Board of Administration until Unit Owners other than the Developer own 15 percent or more of the Units that will be operated ultimately by the Association. When Unit Owners other than the Developer own 15 percent or more of the Units that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one-third of the members of the Board of Administration. Unit Owners other than the Developer are entitled to elect not less

than a majority of the members of the Board of Administration (a) three years after 50 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three months after 90 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (c) when all of the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or (d) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or (e) seven years after recordation of the Declaration, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one member of the Board of Administration as long as the Developer holds for sale in the ordinary course of business 5 percent of the Units that will be operated ultimately by the Association. Upon election of the first Unit Owner by Members other than the Developer to the Board of Administration, the Developer shall forward to the Division the name and mailing address of the Unit Owner Member so elected.

The Developer can turn over control of the Association to Unit Owners other than the Developer prior to such dates in its sole discretion by causing all of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Developer to elect Directors and assume control of the Association. Provided at least 60 days' notice of Developer's decision to cause its appointees to resign is given to Unit Owners, neither the Developer, nor such appointees, shall be liable in any manner in connection with such resignations even if the Unit Owners other than the Developer refuse or fail to assume control.

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

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

- (a) The original or a photocopy of the recorded Declarations of Condominium, and all amendments thereto. If a photocopy is provided, the Developer, or an officer or agent of the Developer shall certify by affidavit that it is a complete copy of the actual recorded Declaration;
- (b) A certified copy of the Articles of Incorporation for the Association;
- (c) A copy of the Bylaws of the Association;
- (d) The minute books, including all minutes, and other books and records of the Association, if any;
- (e) Any rules and regulations which have been adopted;
- (f) Resignations of resigning officers and Board members who were appointed by the Developer;
- (g) The financial records, including financial statements of the Association, and source documents from the incorporation of the Association through the date of turnover. The records shall be audited for the period from the incorporation of the Association or from the period covered by the last audit, if an audit has been performed for each fiscal year since incorporation, by an independent certified public accountant. All financial statements shall be prepared in accordance with generally accepted accounting principles and

shall be audited in accordance with generally accepted auditing standards, as prescribed by the Florida Board of Accountancy, pursuant to Florida Statutes, Chapter 473. The accountant performing the audit shall examine, to the extent necessary, supporting documents and records, including the cash disbursements and related paid invoices, to determine if expenditures were for Association purposes, and billings, cash receipts and related records to determine that the Developer was charged and paid the proper amounts of Assessments and Special Assessments, if any;

- (h) Association funds or the control thereof;
- (i) All tangible personal property that is the property of the Association or is or was represented by the Developer in writing to be part of the Common Elements or is ostensibly part of the Common Elements, and an inventory of such property;
- (j) A copy of the plans and specifications utilized in the construction or remodeling of the improvements and the supplying of equipment, and for the construction and installation of all mechanical components servicing the improvements and the Condominium Property, with a certificate, in affidavit form, of an officer of the Developer or an architect or engineer authorized to practice in Florida, that such plans and specifications represent, to the best of his knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Condominium Property and the construction and installation of the mechanical components serving the improvements and the Condominium Property;
- (k) Insurance policies;
- (l) Copies of any Certificates of Occupancy which may have been issued for the Condominium Property;
- (m) Any other permits issued by governmental bodies applicable to the Condominium Property in force or issued within one year prior to the date the Unit Owners take control of the Association;
- (n) All written warranties of contractors, sub-contractors, suppliers and manufacturers, if any, that are still effective;
- (o) A roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Developer's records;
- (p) Leases of the Common Elements and other leases to which the Association is a party, if applicable;
- (q) Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Unit Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service;
- (r) All other contracts to which the Association is a party; and
- (s) A list of the names and addresses, of which the Developer had knowledge at any time in the development of the Condominium, of all contractors, subcontractors, and suppliers utilized in the construction or remodeling of the improvements and in the landscaping of the Condominium or Association Property.

5. **Powers and Duties.** The Board of Administration shall have the powers and duties necessary for the management and administration of the affairs of the Condominium and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these Bylaws may not be delegated to the Board of Administration by the Unit Owners. Such powers and duties of the Board of

Administration shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining the Common Elements of each Condominium and Association Property.
- (b) Determining the expenses required for the operation of the Condominiums and the Association.
- (c) Collecting the Assessments for Common Expenses of the Condominiums and Association from Unit Owners.
- (d) Collecting Special Assessments from Unit Owners.
- (e) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements of each Condominium and Association Property.
- (f) Adopting and amending rules and regulations concerning the details of the operation and use of the Condominium Property of each Condominium and Association Property, subject to a right of the Unit Owners to overrule the Board as provided in Section 13 hereof.
- (g) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
- (h) Purchasing, leasing or otherwise acquiring Units or other property in the name of the Association, or its designee.
- (i) Purchasing Units at foreclosure or other judicial sales, in the name of the Association, or its designee.
- (j) Selling, leasing, mortgaging or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association, or its designee.
- (k) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.
- (l) Obtaining, maintaining and reviewing insurance for the Condominium Property of each Condominium and Association Property.
- (m) Making repairs, additions and improvements to, or alterations of, the Condominium Property, and repairs to and restoration of the Condominium Property, in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (n) Enforcing obligations of the Unit Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Condominiums.
- (o) Levying fines against appropriate Unit Owners for violations of the rules and regulations established by the Association to govern the conduct of such Unit Owners.
- (p) Borrowing money on behalf of the Association when required in connection with the acquisition of property, and granting mortgages on and/or security interests in Association Property; provided, however, that the consent of the Owners of a least two-thirds of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of \$10,000. If any sum borrowed by the Board of Administration on behalf of the Association pursuant to the authority contained in this subparagraph (p) is not repaid by the Association, a Unit Owner who pays to the creditor such portion thereof as his interest in the Common Elements or in the Association Property bears to the interest of all the Unit Owners in the Common Elements or in Association Property shall be entitled to obtain from the creditor a

release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Unit Owner's Unit.

- (q) Contracting for the management and maintenance of each Condominium or Association Property and authorizing a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, Special Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements or Association Property with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including, but not limited to, the making of Assessments, Special Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (r) At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements or Association Property for private parties and gatherings and imposing reasonable charges for such private use, provided such use is the subject of a lease between the Association and the Unit Owner.
- (s) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these Bylaws, and in the Florida Condominium Act, and (ii) all powers incidental thereto, and all other powers of a Florida corporation not for profit.
- (t) Imposing a lawful fee in connection with the approval of the sale, mortgage, lease, sublease or other transfer of Units, as and if applicable not to exceed the maximum amount permitted by law in any one case.
- (u) Contracting with and creating special taxing districts.
- (v) Bringing, settling or compromising any claims or lawsuits involving matters in which all Unit Owners have a common interest.
- (w) Contracting with a cable operator licensed in Duval County to provide cable television service on a bulk rate basis to Unit Owners.
- (x) Conveying a portion of the Common Elements to a condemning authority for the purposes of providing utility easements, rights-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

6. Officers.

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

- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving of all notices to the Members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.
- 6.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Administration.
- 6.6 Developer Appointees. No officer appointed by the Developer may be removed except as provided in Section 4.14 hereof and by law.
7. Compensation. Neither Directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, nor preclude contracting with a Director or officer for the management of the Condominium or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.
8. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such later date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any Director or officer (other than appointees of the Developer) constitute a written resignation of such Director or officer.
9. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
- 9.1 Budget.
- (a) Adoption by Board; Items. The Board of Administration shall from time to time, and at least annually, prepare a budget for each of the Condominiums and a budget for the Association itself (which shall detail all accounts and items of expenses and contain at least all items set forth in Section 718.504(21) of the Act, if applicable), determine the amount of Assessments payable by the Unit Owners to meet the expenses of their Condominium and the Association and allocate and assess such expenses as follows: (i) with respect to expenses of each Condominium, allocations shall be in accordance with the provisions of the respective Declarations; and (ii) with respect to expenses of the Association applicable to all Condominiums, allocations shall be made equally among all Units in all Condominiums. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount of reserves shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. Reserves shall not be required for the Association or for each Condominium only if the members of the Association or each Condominium, respectively, have by a majority vote at a duly called meeting of the members, determined for a

specific fiscal year to provide no reserves or reserves less adequate than required hereby. However, prior to turnover of control of the Association by Developer to Unit Owners other than Developer pursuant to Section 4.14 of these Bylaws, Developer may vote to waive the reserves or reduce the funding of reserves for any Condominium for the first two fiscal years of the operation of the Association beginning with the date of the recording of the first declaration. No waiver shall be effective for more than one fiscal year. No waiver is effective unless conducted at a meeting at which a majority of the voting interests are present, in person or by proxy, and a majority of those present in person or by proxy vote to waive or reduce reserves. After turnover of control of the Association by the Developer to Unit Owners other than the Developer, pursuant to Section 4.14 hereof, reserves may only be waived or reduced only upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the Association. If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

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

During any period that Developer is precluded from casting its votes to waive or reduce the funding of reserves, the approval of a majority of the non-Developer voting interests present at a duly called meeting of the Association shall be required in order to waive or reduce the funding of reserves. Developer is precluded from casting its votes to waive or reduce the funding of reserves, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which a majority of non-Developer voting interests in that condominium are present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves. After turnover, Developer may cast its votes to waive or reduce the funding of reserves. Because the Association may or will be a multicondominium association, the only voting interests which are eligible to vote on questions that involve waiving or reducing the funding of reserves, or using existing reserve funds for purposes other than purposes for which the reserves were intended, are the voting interests of the units subject to Assessment to fund the reserves in question.

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

- (i) Notice of Meeting. A copy of the proposed budget shall be mailed or hand delivered to each Unit Owner at the address last furnished to the Association not less than 14 days prior to the meeting of the Unit Owners or the Board of Administration at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting. Evidence of compliance with this 14-day notice must be made by an affidavit, executed by an officer of the Association or the manager or other person providing notice of the meeting. The affidavit must be filed among the official records of the Association. The meeting must be open to the Unit Owners.

- (ii) Special Membership Meeting. If a budget is adopted by the Board of Administration which requires Assessments against Unit Owners in any one Condominium or the Association as a whole in any year exceeding 115 percent of such Assessments for the preceding year, as hereinafter defined, upon written application of 10 percent of the Unit Owners to the Board, a special meeting of the Unit Owners shall be held within 30 days of delivery of such application to the Board of Administration. Each Unit Owner shall be given at least 14 days' written notice of said meeting. At the special meeting, Unit Owners in that Condominium shall consider and adopt a budget. The adoption of said budget requires a vote of Unit Owners of not less than a majority of all the Units (including Units owned by the Developer) in that Condominium or the Association, as the case may be, which are present at such meeting (in person or by proxy) at which a quorum is attained.
- (iii) Determination of Budget Amount. In determining whether a budget requires Assessments against Unit Owners in any year exceeding 115 percent of Assessments for the preceding year, there must be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Administration in respect of repair or replacement of the Condominium Property or Association Property or in respect of anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there must be excluded from such computation Assessments for improvements to the Condominium Property or Association Property and all Special Assessments (including surcharges against specific Unit Owner(s)).
- (iv) Proviso. As long as the Developer is in control of the Board of Administration of the Association, the Board may not impose Assessments for a year greater than 115 percent of the prior year's Assessments, as herein defined, without the approval of Unit Owners owning a majority of the Units (including Units owned by the Developer) in any particular Condominium or the Association, as the case may be.
- (b) Adoption by Membership. In the event that the Board of Administration shall be unable to adopt a budget for a fiscal year in accordance with the requirements of Subsection 9.1(a) above, the Board of Administration may call a special meeting of Unit Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said subsection. Alternatively, the Board of Administration may propose a budget in writing to all Members of the affected Condominium. If either such budget is approved by the Members or the affected Condominium present at such meeting, or receiving such written budget, upon ratification by a majority of the Board of Administration, the budget is adopted.

- 9.2 Assessments. Assessments against the Unit Owners for their share of the items of the budget shall be made for the applicable fiscal year annually, if possible at least 10 days preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each quarter (or each month at the election of the Board) of the year for which the Assessments are made. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment, and quarterly (or monthly) installments on such Assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual Assessment proves to be insufficient, the budget and Assessments may be amended at any time by the Board of Administration, subject to the provisions of Section 9.1 hereof, if applicable. Unpaid Assessments for the remaining portion of the fiscal year for which an amended Assessment is made shall be payable in as many equal installments as there are full quarters (or months) of the fiscal year left as of the date of such amended Assessment. Each such quarterly (or monthly)

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

- 9.3 Charges. Charges by the Association against Members for other than Common Expenses of their Condominium or the Association shall be payable in advance. These charges shall be collected separately from Assessments for Common Expenses. Charges for other than Common Expenses may be made only after approval of a Member or when expressly provided for in the Declaration or the exhibits annexed thereto, as the same may be amended from time to time, which charges may include, without limitation, charges for the exclusive use of portions of the Condominium Property or other Association Property, maintenance services furnished at the expense of an Owner, other services furnished for the benefit of an Owner and fines and damages and other sums due from such Owner.
- 9.4 Special Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual Assessments for Common Expenses shall be due immediately upon notice given to the Unit Owners concerned, and shall be paid in such manner as the Board of Administration of the Association may require in the notice of Special Assessment.
- 9.5 Depository. The depository of the Association shall be such bank(s) or savings and loan association(s) in the State as may be required by the provisions of the Condominium Act and as 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 those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All funds of the Association shall be maintained separately in accounts in the Association's name. Reserve and operating funds of the Association shall not be commingled. No manager, agent, employee, officer, or Director of the Association shall commingle any Association funds with his funds or with the funds of any other person.
- 9.6 Acceleration of Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon his Assessment, the Board of Directors or its agent may accelerate the balance of the current budget years' Assessments upon 30 days' prior written notice to the Unit Owner and the filing of a claim of lien, and the then unpaid balance of the current budget years' Assessments shall be due upon the date stated in the notice, but not less than five days after delivery of the notice to the Unit Owner, or not less than 10 days after the mailing of such notice to him by certified mail, whichever shall first occur.
- 9.7. Fidelity Bonds. Fidelity Bonds shall be required by the Board of Directors for all persons handling or responsible for Association funds in such amounts as shall be determined by a majority of the Board, but in no event less than the amounts required by the Act. The premiums on such bonds shall be paid by the Association as a Common Expense.
- 9.8 Accounting Records and Reports. The Association shall maintain accounting records for the Association and for the Condominium within the State, according to accounting practices normally used by similar associations. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each Unit designating the name and current mailing address of the Unit Owner, the amount of each Assessment, the dates and amounts in which the Assessments come due, the amount paid upon the account and the dates so paid, and the balance due. Written summaries of the records described in clause (a) in the preceding sentence, in the form and manner specified below, shall be supplied to each Unit Owner annually.

Within 90 days following the end of the fiscal year, the Board shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed or received by the Board from the third party, the Board shall mail to each Unit

Owner at the address last furnished to the Association by the Unit Owner or hand deliver to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner without charge upon written request from the Unit Owner. The report of cash receipts and disbursements shall disclose the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following, as applicable:

- (a) Costs for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Costs for recreation facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Costs for building maintenance and repair;
- (h) Insurance costs;
- (i) Administration and salary expenses; and
- (j) Reserves accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the Association maintains reserves.

- 9.9 Application of Payment. All payments made by a Unit Owner shall be applied as provided in these Bylaws and in the Declaration or as determined by the Board.
- 9.10 Notice of Meetings. Notice of any meeting where Assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.
- 9.11 Percentage of Association Common Expenses. In addition to the separate expenses of each Condominium, the Association itself will have Common Expenses applicable to all Condominiums which it operates, including administrative costs and costs of maintaining and operating property owned by the Association ("Association Expenses"). Association Expenses shall be apportioned among all Units operated by the Association as provided in the Declaration of Condominium of the Condominium.
10. Official Records and Roster of Unit Owners. The official records of the Association as required under the provisions of the Act, when applicable, shall be maintained within the State. The records of the Association shall be made available to a Unit Owner within 10 working days after receipt of written request by the Board or its designee. This requirement may be complied with by having a copy of the official records of the Association available for inspection or copying on the Condominium Property of each Condominium or Association Property.

The official records of the Association are open to inspection by any Association 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 Association member. The Association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying. The failure of the Association to provide the records within 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 Unit Owner who is denied access to official records is entitled to the actual damages or minimum damages for the Association's willful failure to comply with this paragraph. The minimum damages shall be \$50 per calendar day up to ten days, the calculation to begin on the 11th working day after receipt of the written request. The failure

to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records for inspection. The Association shall maintain an adequate number of copies of the Declaration, Articles, these Bylaws, and rules, and all amendments to each of the foregoing, as well as the question and answer sheet, on the Condominium Property to ensure their availability to Unit Owners and prospective purchasers. The Association may charge its actual costs for preparing and furnishing these documents to those requesting same. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to Unit Owners:

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

The Association shall maintain current information regarding the title holders of all Units. Such information shall be obtained by engaging the services of a qualified title company, or if the Board so elects, by requiring each Unit Owner to file with the Association a copy of the deed or other document showing his ownership. The Association may rely upon the accuracy of any such information for all purposes until notified in writing of changes therein.

Only Unit Owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.

- 11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles or these Bylaws.
- 12. Fiduciary Duty. The officers and directors of the Association, as well as any manager employed by the Association, have a fiduciary relationship to the Unit Owners. No officer, director or manager shall solicit, offer to accept, or accept any thing or service of 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. Any such officer, director or manager who knowingly so solicits, offers to accept or accepts any thing or service of a value for which consideration has not been provided shall, in addition to all other rights and remedies of the Association and Unit Owners, be subject to a civil penalty in accordance with the Act. Notwithstanding the foregoing, this paragraph shall not prohibit an officer, director or manager from accepting services or items received in connection with trade fairs or education programs.
- 13. Amendments. Except as in the Declaration provided otherwise, these Bylaws may be amended in the following manner:
 - 13.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.
 - 13.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third of the Members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be:
 - (a) by not less than a majority of the votes of all members of the Association represented at a meeting at which a quorum has been attained and by not less than 66-2/3 percent of the entire Board of Directors; or

- (b) after control of the Association has been turned over to Unit Owners other than the Developer, by not less than 80 percent of the votes of the Members of the Association represented at a meeting at which a quorum has been attained.

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

- 13.4 Procedure. 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 rewording of Bylaw. See Bylaw ___ for present text." Nonmaterial errors or omissions in the Bylaw process will not invalidate an otherwise properly promulgated amendment.
- 13.5 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and Bylaws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of the County with an identification on the first page of the amendment of the Official Records Book and Page of said Public Records where the Declaration is recorded.
14. Rules and Regulations. Attached hereto as Schedule A and made a part hereof are rules and regulations concerning the use of portions of each Condominium and other Association Property. The Board of Administration may, from time to time, modify, amend or add to such rules and regulations, except that subsequent to the date control of the Board is turned over by the Developer to Unit Owners other than the Developer, Owners of a majority of the Units represented at a meeting at which a quorum is present may overrule the Board with respect to any such modifications, amendments or additions. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Administration to each affected Unit Owner not less than 30 days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Developer.
15. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders. If any portion hereof shall be found by competent judicial authority to be unenforceable, then only that portion shall be deemed deleted and the remainder shall be given its nearest permissible meaning and effect.
16. Certificate of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the Units to the applicable condominium fire and life safety code.
17. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these Bylaws or the intent of any provision hereof.
18. Administration.
- 18.1 Arbitration. In the event of any internal dispute arising from the operation of any of the Condominiums among the Unit Owners, the Developer, or the Association, the

SCHEDULE "A" TO BYLAWS**RULES AND REGULATIONS
OF
IL VILLAGIO NEIGHBORHOOD I CONDOMINIUM ASSOCIATION, INC.**

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

(1) In order to enhance the beauty of the building and for safety purposes, the sidewalks, and all similar common areas, must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises. Bicycles may be stored only in Units or in other specifically designated areas.

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

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

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

(5) No vehicles other than automobiles, and/or allowable motorcycles shall be permitted to park within the Community Association Property, except for the purpose of making deliveries or providing repair services to a Unit. For purposes of this rule, "automobile" includes any type of allowable van, or truck, such as a pickup truck. No other vehicle or equipment of any kind, whatsoever, including, but not limited to, commercial work trucks, delivery vans, boats, boat trailers and campers shall be parked, maintained, stored or otherwise kept within the designated parking areas or on any other portion of the Community Association Property at any time whatsoever. All parking of allowable vehicles for or on behalf of a Unit Owner shall only be in the assigned parking spaces. No vehicle which cannot operate on its own power shall remain within the Community Association Property for more than 24 hours. No vehicles shall be repaired within the Community Association Property, except in emergencies, and except as otherwise provided in the Declaration.

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

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

his Unit in such a manner as to disturb or annoy other Unit Owners. No Unit Owner shall conduct or permit to be conducted, vocal or instrumental instruction at any time.

(8) No radio or television installation may be permitted in a Unit which interferes with the television or radio reception of another Unit. No antenna or aerial may be erected or installed on the roof or exterior walls of a Building without the written consent of the Board of Directors of the Association, except that this prohibition shall not be applicable to television or radio installations permitted or contemplated by the Declaration. All removals, or the carrying in or out of any, freight, furniture, or bulky matters of any description must take place during the hours which the Board of Directors or its agent may determine from time to time. The moving of fixtures or bulky matters of any kind must be made after previous notice to the Board or its agent. Any damage done to the Building or to the Unit Owner or Occupant or to other persons in bringing in or removing furniture or other bulky or heavy articles shall be paid for by Unit Owner or Occupant.

(9) In order to maintain an attractive appearance, no sign, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed above the first level of the Building, or in, on or upon any part of the Condominium Property or Association Property without the written consent of the Board. No Unit Owner or Occupant shall engage or pay any employees on the Condominium Property, except those actually working for such Unit Owner or Occupant on said premises, nor advertise for laborers giving an address at said Condominium Property or Unit.

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

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

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

(11) In order that a Building may maintain an attractive and uniform appearance, no Unit Owner shall make any alterations to the exterior of his Unit or cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies, windows or roof, nor shall an Unit Owner place anything other than porch furniture or plants on the balcony except with the prior written consent of the Board. Unit Owners are prohibited from installing security bars on the exterior of their Units. The Unit shall not be used for gambling, or for any immoral or illegal purposes. No gas or charcoal grills, burner, broilers, fryers and open flame devices may be used or maintained within the terraces or balconies or any common elements.

(12) No fences may be erected upon the Condominium Property or Association Property without the express written approval of the Board of Administration.

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

(a) No animal other than household, domestic animals (dogs, cats, small birds) shall be permitted upon the Condominium Property or Association Property at any time.

(b) No animal may be kept, bred or maintained for any commercial purpose.

(c) Each Residential Unit shall be allowed to house not more than one dog and one cat, or two dogs or two cats. Tenants shall not be permitted to have any dogs or cats.

- (d) Each animal brought or kept upon the Condominium Property or Association Property shall be at all times under the control of its Unit Owner.
- (e) Each Unit Owner shall promptly remove and properly dispose of all waste matter deposited by his animal upon the Condominium Property or Association Property.
- (f) No animal shall be allowed to constitute a nuisance.
- (g) Each Unit Owner owning a pet shall assume full responsibility for personal injuries or property damage caused by his pet, and each Unit Owner hereby agrees to indemnify the Association and all other Unit Owners and hold them harmless against any loss, claim or liability of any kind whatsoever arising from or growing out of any harm, injury, or damage caused by such Unit Owner's pet. A violation of the provisions of this Rule shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Unit Owners and/or to require any pet to be permanently removed from the Condominium Property upon three days' notice.
- (i) The Board shall have the right to promulgate Rules further restricting the keeping of pets.

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

(15) There shall be no solicitation by any person anywhere in a Building for any cause, charity, or any purpose whatsoever, unless specifically authorized by the Board. The garbage and trash from a single Unit shall not be excessive as determined by the Board of Administration. If it is excessive, then the Unit Owner shall be responsible and pay the costs of removal of said excessive waste, or removal of same, as directed by the Board of Administration. Waste shall be presumptively deemed excessive if it exceeds the Unit Owner's proportionate share of total trash capacity on a weekly basis using the Unit Owner's percentage ownership in the Common Elements and the waste capacity of the trash containers located on the Common Elements. All garbage and trash shall be deposited in the disposal installations provided for such purpose, if any. Costs of removal shall be treated as a charge against a Unit Owner and collected in accordance with the provisions of Section 9.3 of the Bylaws.

(16) 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 Veteran's 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, regardless of: (a) any provisions in these rules and regulations, including, but not limited to, rules numbered (10) and (12) hereof, or (b) any requirements dealing with flags or decorations.

(17) These rules and regulations shall be cumulative with the covenants, conditions and restrictions set forth in the Declaration of Condominium, provided that the provisions of same shall control over these rules and regulations in the event of a conflict or a doubt as to whether a specific practice or activity is or is not permitted. Anything to the contrary notwithstanding, these rules and regulations shall not apply to the Developer, nor its agents or employees and contracts, nor to the Units owned by the Developer, except:

- (a) Requirements that leases or lessees be approved by the Association (if applicable); and

- (b) Restrictions on the presence of pets; and
- (c) Restrictions on occupancy of Units based upon age (if any); and
- (d) Restrictions on the type of vehicles allowed to park on condominium Property or Association Property; however, the Developer or its designees shall be exempt from any such parking restriction if the vehicle is engaged in any activity relating to construction, maintenance, or marketing of Units.

All of these rules and regulations shall apply to all other Owners and occupants even if not specifically so stated in portions hereof. The Board of Directors shall be permitted (but not required) to grant relief to one or more Unit Owners from specific rules and regulations upon written request therefor and good cause shown in the sole opinion of the Board.