

**DECLARATION**  
**OF**  
**LAKESHORE COLONY NO. 1, A CONDOMINIUM**

DCA OF LAKESHORE, INC., a Florida corporation (hereinafter called the “Developer”), does hereby declare as follows:

1. Introduction and Submission.

1.1. The Land. The Developer owns the fee title to certain Land located in Palm Beach County, Florida, as more particularly described in Exhibit “1” annexed hereto (the “Land”).

1.2. Submission Statement. The Developer hereby submits the Land and 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, 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 LAKESHORE COLONY No. 1, A CONDOMINIUM (hereinafter called the “Condominium”)

2. Definitions. When used in this Declaration or in its exhibits (including any amendments to either), the following terms shall have the meaning ascribed 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” mean the Articles of Incorporation of the Association.

2.3. “Assessment” means a share of the funds required for the payment of Common Expenses which from time to time is assessed against the Unit Owner, and such additional sums which may be assessed directly against one or more Unit Owners (though not necessarily against other Unit Owners).

2.4. “Association” means LAKESHORE COLONY NO.1 CONDOMINIUM ASSOCIATION, INC., a not for profit Florida corporation and the entity responsible for the operation of the Condominium.

- 2.5. “Building” means the structure or structures on the Land in which the Units are located.
- 2.6. “By-Laws” mean the By-Laws of the Association.
- 2.7 Common Elements” mean and include:
- (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 a Unit which contributes to the support of the Building;
  - (d) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements; and
  - (e) Any other parts of the Condominium Property designated as Common Elements in this Declaration.
- 2.8 “Common Expenses” mean all expenses incurred by the Association for the Condominium. Charges assessed or imposed against Units in the Condominium by Overall Association in accordance with the Homeowners’ Covenants shall be deemed Common Expenses solely for the purpose of allowing the Association to collect such charges, as assessed by the Overall Association, as agent for the Overall Association. Charges of the Overall Association shall not, however, be included in the budget of the Association for any purpose. In order to effect economies of scale, expenses relating to all management, maintenance and operational services performed both for the Condominium Property and for other properties located in the Lakeshore Colony Project (as described in the Homeowners’ Covenants) may be equitably apportioned among all such properties, including, without limitation, the Condominium Property, and the portion of such expenses attributable to the Condominium Property shall be deemed part of the Common Expenses.
- 2.9 “Common Surplus” means the excess of all receipts of the Association including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements over the amount of Common Expenses.
- 2.10 “Condominium Parcel” means a Unit together with the undivided share in the Common Elements which is an appurtenant to said Unit and, when the context permits, the term includes all other appurtenances to the Unit.

- 2.11 “Condominium Property” means the Land and personal property that are subjected to Condominium Ownership under this Declaration, all improvements on the Land, and all easements and rights appurtenant thereto intended for use in connection with the Condominium, and all other property, real, personal and mixed, which may subsequently be made subject to this Declaration as hereinafter described.
- 2.12 “County” means the County of Palm Beach, State of Florida.
- 2.13 “Declaration” or “Declaration of Condominium” means this instrument, as it may be amended from time to time.
- 2.14 “Developer” means DCA of Lakeshore, Inc., a Florida corporation, and any successor or assignee of all or part of DCA of Lakeshore, Inc.'s rights hereunder; provided that no Unit Owner shall, solely by reason of his purchasing a Unit, be considered a successor or assignee of such rights unless he is expressly designated as such in an instrument executed by the Developer.
- 2.15 “Homeowners’ Covenants” mean the Declaration of Covenants, Restrictions and Easements for Lakeshore Colony recorded (or to be recorded) in the Public Records of the County and, when the context permits, shall also mean the Articles of Incorporations and By-Laws of the Overall Association, all as now or hereafter amended, modified or supplemented.
- 2.16 “Improvements” mean all structures, or any portion thereof, and artificial changes to the natural environment (exclusive of Landscaping), located on the Condominium Property including, but not limited to, the Building.
- 2.17 “Institutional First Mortgage” means any of the following that holds a first mortgage on a Unit or Units: a bank, a savings and loan association, an insurance company, a real estate or mortgage investment trust, a pension fund, an agency of the United States government, a mortgage banker, a lender generally recognized as an institutional type lender, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Developer.
- 2.18 “Limited Common Elements” mean those Common Elements the use of which are reserved to a certain Unit or Units to the exclusion of the other Units, as specified in this Declaration. Reference hereinto Common Elements shall include also all Limited Common Elements unless the context would prohibit or it is otherwise expressly provided.
- 2.19 “Overall Association” means Lakeshore colony Master Association, Inc. a Florida not for profit corporation, being the entity responsible for the administration of the Homeowners’ Covenants.

- 2.20 “Primary Institutional First Mortgagee” means the Institutional First Mortgagee which at any time either owns all the existing Unit mortgages or owned Unit mortgages securing a greater aggregate indebtedness than that secured by the Unit mortgages owned by any other Institutional First Mortgagee.
- 2.21 “Unit” means a part of the Condominium Property which is subject to exclusive Ownership.
- 2.22 “Unit Owner” or “Owner of a Unit” or “Owner” means the Owner of a Condominium Parcel.

3. Description of Condominium

- 3.1. Identification of Units. The Land has constructed thereon the Building containing 40 Units. Each such Unit is identified by a separate alpha numerical designation. The designation of each of such Units is set forth on the Exhibit “3” Annexed hereto. Exhibit “3” consist of a survey of the Land, a graphic description of the improvements located thereon including, but not limited to, the Building in which the Units are located, and a plot plan thereof. Said Exhibit “3”, together with this Declaration, is sufficient in detail to identify the Common Elements and each Unit and their relative locations and the approximate Dimensions. There shall pass with a Unit as appurtenances thereto (a) an undivided share in the Common Elements and comments surplus; (b) the 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 exist at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, and (d) other appurtenances as may be provided in this Declaration.
- 3.2. Units 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 their planar intersections with the perimetrical boundaries:
- (i) Upper Boundaries. The horizontal plane(s) of the unfinished lower surface(s) of the structural ceiling, including , in the case if a Unit in which the ceiling form more than one plane, the plane(s) formed by the unfinished vertical surface(s) that join the horizontal planes;
- (ii) Lower Boundaries. The horizontal plane of the unfinished upper surface of the concrete floor of the Unit, including, in the case of a Unit in which the floor forms more than one horizontal plane, the plane(s) formed by the unfinished vertical surface(s) that join the horizontal planes; and

- (iii) Interior Divisions. No part of the nonstructural interior walls shall be considered a boundary of the Unit.
- (b) Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries; and
- (c) Apertures. Where there are apertures in any boundary including, but not limited to, windows and doors, the Unit's boundaries shall be extended so that the interior unfinished surfaces of such apertures (including frameworks thereof) and the exterior surfaces of the apertures that are made of glass or other transparent material (including all framing and casing therefor) are within the boundaries of the Unit.

### 3.3 Limited Common Elements.

- (a) Balconies and Terraces. Each balcony and terrace (including any railing or parapet partially surrounding it and any lighting or other fixture that is part of or contained within it) shall be a Limited Common Element appurtenant to the Unit that adjoins it and has direct and exclusive access to it. The Limited Common Elements shall not, however, include the continuous walkways or the "galleries" that run along the front of the Unit and afford access to more than one Unit; and
- (b) Storage Spaces. Any storage space which is not within a Unit but to which a Unit has direct and exclusive access shall be a Limited Common Element appurtenant to that Unit. The Developer may, in its sole discretion, assign to a Unit the exclusive right to use any other storage space that is not within a Unit and, upon its doing so, that space shall become Limited Common Element appurtenant to that Unit.

### 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 support and of 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 cable TV 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 Directors of the Association

or its designee shall have a right of access to each Unit to 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 such right of access, except in the event of an emergency, shall not unreasonably interfere with the Unit Owner's permitted use of the Unit and, except in the event of an emergency, entry shall be made on not less than one (1) day's notice;

- (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 after 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 stand;
- (d) Ingress and Egress. A nonexclusive easement in favor of each Unit Owner and the resident, their guests and invitees, shall exist for pedestrian traffic over, through and across sidewalks, streets (if any), paths, walks, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portion of the Common Elements as from time to time maybe paved and intended for such purposes, if any. None of the easements specified in the 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 the Unit Owners with respect to such easements;
- (e) Construction; Maintenance. The Developer (including its designees, contractors, successors and assigns) shall have the right, in its and their sole discretion, from time to time to enter the Condominium Property and take all other action necessary or convenient for the purpose of completing the construction thereof, or any part thereof, or any improvements or Units located or to be located thereon, and to repair, replace and maintain the Condominium Property or any part thereof when the Association fails to do so;

- (f) Sales Activity. The Developer and its designees, successors and assigns shall have the right to use any 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 Units or other dwellings on the Lakeshore Colony Lands (as defined in the Homeowners' Covenants) and to erect on the Condominium Property signs and other promotional material to advertise Units and/or such other dwellings for sale or lease, without regard to their size or aesthetic qualities.; and
- (g) Additional Easements. The Developer (so long as it owns any Units or other dwellings on the Lakeshore colony Lands (as defined in the Homeowners' Covenants) and the Association, on their behalf and on behalf of all Unit Owners (each of whom hereby appoints the Developer and the Association irrevocably as their attorney-in-fact for this purpose), each shall have the right to grant access easements and electric, drainage, gas, cable TV and other utility or service easements on, in or over any portion of the Condominium Property, answer relocate any existing access utility or service easements or drainage facilities (subject to applicable restrictions) on, in or over any portion of the Condominium Property in any such case as a Developer or the Association (as the case may be) deems necessary or desirable for the proper operation and maintenance of all or any portion of the improvements or other improvements on the Lakeshore Colony Lands, for the general health or welfare of the Unit Owners or other members of the Overall Association for carrying out any provisions of this Declaration or otherwise, provided that the easements thus granted or relocated will not prevent or unreasonably interfere with the reasonable use of the Units for dwelling purposes.

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 and, except as provided herein, the exclusive right to use all appropriate appurtenant Limited Common Elements shall not be separated therefrom and shall pass with the title to the Unit, whether or not separately described. The appurtenant share in the Common Elements and common surplus and the exclusive right to use all Limited Common Elements appurtenant to a Unit, except as elsewhere herein provided to the contrary, 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 comments are plus and share of Common Expenses; Voting Rights.

5.1. Percentage Ownership and Shares. The undivided percentage interest in the Common Elements and common surplus and the percentage share of the Common Expenses appurtenant to each Unit is set forth in Exhibit "2" annexed hereto.

- 5.2. Voting. Each Unit shall be entitled to one vote to be cast by its Owner in accordance with the provisions of the respective By-Laws and Articles of the Condominium Association and of the Overall Association. Each Unit Owner shall be a member of the Condominium Association and of the Overall Association.
6. Amendments. Except as elsewhere provided herein, amendments to this Declaration may be affected 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 two-thirds (2/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing provided that such approval is delivered to the Secretary at or prior to the meeting and, for the purpose of clauses 6.1 (a-d) below, a director or member who does so shall be considered to be “represented” at the meeting in question and to have cast an “affirmative vote” in favor of the amendment and question. Except as elsewhere provided, approval of an amendment must be by the affirmative vote of either:
- (a) Unit Owners owning in excess of 50% of the Units represented at any meeting at which a quorum has been attained and not less than sixty-six and two-thirds ( $66\frac{2}{3}$ ) of the Board of Directors of the Association; or
  - (b) Unit Owners owning not less than 80% of the Units represented at any meeting at which a quorum has been attained; or
  - (c) 100% of the Board of Directors; or
  - (d) Not less than 50% of the entire membership of the Board of Directors in the case of amendments to the section thereof entitled insurance or other sections that are reasonably required by insurers or the primary Institutional First Mortgagee; and
  - (e) No amendments may be made which effect drainage systems or the obligation to maintain such systems without the prior written consent of the Developer and the South Florida water management District.
- 6.2 By The Developer. The Developer, during the time it is in control of the Board of Directors of the Association, may amend the Declaration, the Articles of Incorporation or the By-Laws of the Association to correct an omission or error,

or affect any other amendment, except that this procedure for amendments cannot be used if such an amendment would, in the opinion of the Developer, materially adversely affect substantial property rights of the Unit Owners unless the affected Unit Owners consent in writing. The execution and recording of any amendments by the Developer pursuant hereto shall be conclusive evidence that the amendment does not materially adversely affect substantial property rights of the Unit Owners who did not join in or consent to such execution, and any such amendment shall be effective as provided below. Without limiting the generality of the foregoing, as long as it owns one or more Units, the Developer shall have an absolute right to make any amendments to this Declaration (without any other party's consent or joinder) requested or required by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association or other governmental or quasi-governmental body which owns or expects to own one or more institutional first mortgages on Units or to ensure the payment of one or more such mortgages or requested or required by any Institutional First Mortgagee or perspective Institutional First Mortgagee to enhance the salability of institutional first mortgages owned by it to one or more of the foregoing.

- 6.3 Execution and Recording. An amendment, other than an amendment made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed in the form required for the execution of a deed. Amendments by the Developer must be evidenced in writing, and a certificate of the Association shall not be required. An amendment of the Declaration is affected when properly recorded in the public records of the county.
- 6.4 Proviso. Unless otherwise provided specifically to the contrary in this Declaration, no amendment shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to any Unit, or change the percentage by which the Owner of the Unit shares the Common Expenses and owns the Common Elements and common surplus, unless the record Owner (s) of the Unit(s) so affected and all records Owners of mortgages or other liens thereon shall join the execution of the amendment. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserve to the Developer or mortgagee of Units without the consent of the Developer and those mortgagees in each instance; nor shall an amendment make any change in the Sections thereof entitled "insurance," "reconstruction or repair after casualty," "condemnation" unless the primary Institutional First Mortgagee shall consent to the amendment. The provisions of this Section 6.4 shall not be amended in any manner.

7. Maintenance and Repairs.

- 7.1 Units. All maintenance of any Unit, whether ordinary or extraordinary, including, without limitation, maintenance of screens, windows, the interior side of the entrance door and all other doors within or affording access to the Unit, and the electrical (including wiring), plumbing (including fixtures and connections), heating and air-conditioning equipment, fixtures and outlets, appliances, carpet and other floor covering, all interior surfaces and, in general the entire interior of the Unit, 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.
- 7.2 Common Elements. Except to the extent expressly provided to the contrary in Section 7.3 or elsewhere herein, all maintenance, repairs and replacements in or to the Common Elements and all caulking required to keep windows weather tight shall be performed by the Association. The cost and expense thereof shall be charged to all Unit Owners as a common expense, except to the extent it arises from or what is necessitated by the negligence or misuse of specific Unit Owners in the opinion of the Board (in which case, such cost and expense shall be paid solely by Unit Owner) and except to the extent the proceeds of insurance are made available therefore.
- 7.3 Limited Common Elements.
- (a) Storage Spaces. The interior of each storage space the use of which has been assigned to a particular Unit as a Limited Common Element shall be maintained by that Unit's Owner at said Unit Owner's sole cost and expense; and
  - (b) Balconies and Terraces. Each Unit Owner shall, at said Unit Owner's sole cost and expense, maintain the surface of the floor and ceiling of any balcony or terrace that is appurtenant to said Unit as a Limited Common Element, the surface of the interior face of any parapet that partially surrounds that balcony or terrace, and any wiring, electrical outlets, fixtures and light bulbs located on or in that balcony or terrace.
- 7.4 Special Rules Regarding Repair and Replacement. If the responsibility for maintaining a particular structure is divided between the Unit Owner and the Association, the Association shall be responsible for repairing and replacing any portion of the structure that Unit Owner would normally be responsible for maintaining if and to the extent that repairing or replacing the portion the Association is responsible for maintaining naturally entails repairing or replacing the portion that Unit Owner would otherwise be responsible for maintaining.
- 7.5 Definition of "Maintenance". When used in this Section 7, unless the context requires otherwise, the term "maintenance" and its correlatives shall be read to

mean keeping the item to be maintained in a clean and orderly condition and painting, repairing and replacing it one reasonably necessary.

8. Additions, Alterations or Improvements by the Association. Whenever, in the judgment of the Board of Directors, the Common Elements or any part thereof shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in excess of \$25,000 in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by a majority of the Units represented at a meeting at which a quorum is attained. Any such additions, alterations or improvements to such Common Elements or any part thereof costing in the aggregate \$25,000 or less in a calendar year may be made by the Association without approval of the Unit Owners. The cost and expense of any such additions, alterations or improvements to such Common Elements shall constitute a part of the Common Expenses and shall be assessed to the Unit Owners as Common Expenses.

9. Additions, Alterations or Improvements.

- 9.1 By Unit Owners. No Unit Owner shall make any addition, alteration or improvement in or to the Common Element, or any limited Common Element (including, but not limited to, the enclosure of an installation of awnings in balconies and terraces), without the prior written consent of the Board of Directors and, without the prior written consent of the Board, no Unit Owner shall make any addition, alteration or improvement to said Unit Owner's Unit that would or might (in the Board of Directors' judgment): (a) interfere with any other Unit Owner's use and enjoyment of his Condominium parcel, (b) impair the Building's structural soundness, (c) affect the Common Elements, (d) change the Building's exterior appearance, or (e) violate any applicable law or ordinance. Sound transmitting floor coverings (such as ceramic tile, marble and wood parquet) may not, under any circumstances, be installed in Units located above the first floor of the Building, except in the foyers, hallways and bathrooms, and may be located in the foyers, hallways and bathrooms in such Units only if a sound-deadening underlay is installed between the floor slab and the floor covering. The Board shall have the obligation to answer any written request by a Unit Owner for approval of an addition, alteration or improvement in such Unit Owner's Unit or Limited Common Elements within thirty (30) days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent, provided during such period, the Board shall have the absolute right, with or without cause, to reject any such request. The proposed additions, alterations and improvements by the Unit Owner must be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, consistency, construction details, lead 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

said Unit Owner's heirs, personal representatives, successors and assigns, as appropriate, to hold the Association and 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 thereof from and after that date of installation or construction thereof as may be required by the Association.

9.2 By the Developer. The restrictions and limitations set forth in Section 9.1 shall be inapplicable to the Developer and Units owned by it. Without limiting the generality of the preceding sentence, the Developer shall have the right, without the vote or consent of the Association, the Board of Directors or any Unit Owners, to (a) 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, but not limited to, the removal of walls, floors, ceilings and other structural portions of the improvements); (b) change the layout or number of rooms in any Developer-owned Units (c) change the size and/or number of Developer-owned Units by subdividing one or more Developer-owned Units into two or more separate Units, combining separate Developer-owned Units (including those resulting from such subdivision or otherwise) (d) reapportion among the Developer-owned Units affected by such change in size or number pursuant to the preceding clause (c), they are pertinent interest in the Common Elements and share of the Common Surplus and Common Expenses provided, however, that the percentage interest in the Common Elements and share of the Common Surplus and Common Expenses of any Unit (other than Developer-owned Units) shall not be changed by reason thereof unless the Owners of such Units shall consent thereto and, provided further, that Developer shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in so doing. In making the above alterations, additions and improvements, the Developer may relocate and alter Common Elements adjacent to the affected Units. Any amendments to this Declaration required by actions taken pursuant to this Section 9.2 may be affected by the Developer alone. Without limiting the generality of Section 6.4 hereof, the provisions of this Section may not be added to, amended or deleted it without the prior written consent of the Developer.

9.3 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 By-Laws and Articles (respectively, Exhibits "4" and "5" annexed hereto), as amended from time to time. In addition, the Association shall have all the powers and duties set forth in the Act, as well as all powers and duties granted to or imposed upon it by this Declaration, including without limitation:

- (a) The irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Elements therein, or at any time and by

force, if necessary, for making emergency repairs therein necessary to prevent damage to the Common Elements or to any other Unit or Units, or to determine compliance with the terms and provisions of this Declaration, the Exhibits annexed hereto, and the rules and regulations adopted pursuant to such documents, as the same may be amended from time to time;

- (b) The power to make and collect Assessments and other charges against the Unit Owners and to lease, maintain, repair and replace the Common Elements;
- (c) The duty to maintain accounting records according to accounting practices normally used by similar Associations or the manager under any applicable management contract, which records shall be open to inspection by Unit Owners and their authorized representatives at reasonable times;
- (d) To contract for the management and maintenance of the Condominium Property and to authorize 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, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, at all times retain the powers and duties granted by the Condominium documents and the Condominium Act including, but not limited, to the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association;
- (e) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interest in property owned by the Association, provided that such actions are approved by a majority of the entire membership of the Board of Directors and of the Units represented at a meeting at which a quorum has been attained, or by such greater percentage of the Board or Unit Owners as maybe specified in the By-Laws with respect to certain borrowing, provided further that no such action shall be permitted while the Developer owns any Units without the prior written consent of the Developer;
- (f) Subsequent to the recording of this Declaration, the Association, when authorized by a majority 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 interest, leasehold, memberships, and other possessory or use interest in Lands or facilities (including, but not limited to, country clubs, golf courses, marinas and other recreational

facilities, regardless of whether contiguous to the Lands of the Condominium) intended to provide for the use or benefit of the Unit Owners. The expenses of ownership (including the expense of making and carrying any mortgage related to such ownership), rental, membership fees, operation, replacements and other expenses and undertakings in connection therewith shall be Common Expenses. No Actions authorized hereunder, however, may be taken as long as the Developer owns any Units without the prior written consent of the Developer; and

- (g) The power to adopt and amend rules and regulations covering the details of the operation and use of the Condominium Property.

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

- 10.1 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair part 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.
- 10.2 Restraint Upon Assignment of Shares in Assets. The share of the Unit Owner and the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to said Unit Owner's Unit
- 10.3 Approval or Disapproval of Matters. Whenever the decision of the Unit Owner is required upon any matter, regardless of whether it is the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that Unit if at an Association meeting, unless the joinder of said record Owner is specifically required by this Declaration or by law.
- 10.4 Acts of the Association. Unless the approval or action of Unit Owners, and/or a certain specific percentage of the Board of Directors of the Association, is specifically required in this Declaration, the Articles or By-Laws, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Directors, without the consent of the 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 permitted to be given or taken hereunder or under the Articles or By-Laws, such action or approval may be conditioned in a 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 its refusal.

11. Determination of Common Expenses and Fixing Of Assessments Therefor. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such expenses amongst the Unit Owners in accordance with the provisions of this Declaration and the By-Laws. The Board of Directors shall advise all Unit Owners promptly and in writing of the amount of the Assessment payable by each of them as determined by the Board of Directors as aforesaid and shall furnish copies of each budget, on which such Assessments are based, to all Unit Owners and (if requested in writing) to their respective mortgagees. The Common Expenses shall include the expenses of and reserves for the operation, maintenance, repair and replacement of the Common Elements, cost of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles or By-Laws of the Association, applicable rules and regulations or the Association. Working capital contributions may be used to reimburse the Developer for startup expenses and otherwise as the Board shall determine from time to time and need not be restricted or accumulated. Any budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistently with the provisions of the By-Laws.
  
12. Collection of Assessments.
  - 12.1 Liability for Assessments. Regardless of how a Unit Owner acquired title to said Unit Owner's Unit, every Unit Owner (including a purchaser at a judicial sale) shall be liable for all Assessments coming due while said Unit Owner is the Unit Owner. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for his share of the Common Expenses up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. The liability for 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 are made or otherwise.
  
  - 12.2 Default in Payment of Assessments for Common Expenses. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at the highest lawful rate from the due date until paid. The Association has a lien on each Condominium parcel for any unpaid Assessments on such parcel (including interest thereon) and for reasonable attorney's fees and costs incurred by the Association incident to the collection of the Assessment or enforcement of the lien. The lien is effective from and after the time a claim of lien is recorded in the public records of the county, stating the description of the Condominium parcel, the name of the record Owner, the amount due and the due dates. The lien is in effect until all sums secured by it have been fully paid or until barred by law. 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 and its name to foreclose a lien for unpaid Assessments and 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 without waiving any claim of lien.

- 12.3 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Unit Owner of its intention to foreclose its lean to collect the unpaid Assessments. If such notice is not given at least thirty (30) days before the foreclosure action is filed and if the unpaid Assessments, including those coming due after the claim of the lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or cost. A copy of such notice must be delivered to the Unit Owner or sent by certified mail, return receipt requested, addressed to the Unit Owner. If, after diligent search and inquiry, the Association cannot find the Unit Owner or a mailing address at which the Unit Owner will receive such notice, a court of law may proceed with a foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection shall be satisfied if the Unit Owner records a notice of contest of lien as provided in the Act.
- 12.4 Appointment of Receiver to Collect Rental. If the Unit Owner remains in possession of the Unit and the claim of lien is foreclosed, a court of law and its discretion may require the Unit Owner to pay a reasonable rental for the Unit and the Association shall be entitled to the appointment of a Receiver to collect the rent.
- 12.5 Institutional First Mortgagee. In the event an Institutional First Mortgagee shall obtain title to the Unit as a result of foreclosure of its mortgage, or as a result of the deed given in lieu of foreclosure, such Institutional First Mortgagee, its successors and assigns, shall not be liable for the share of Common Expenses or Assessments or other charges imposed by the Association pertaining to such Condominium parcel or chargeable to the former Unit Owner of such Condominium parcel which became due prior to the acquisition of title as a result of the foreclosure or the acceptance of such deed in lieu, unless such share is secured by a claim of lien that is recorded prior to the recording of the foreclosed mortgage. Such unpaid share of Common Expenses or Assessments or other charges shall be deemed to be Common Expenses collectible from all of the Unit Owners, including such acquirer, and such acquirer's successors and assigns
- 12.6 Developer's Liability for Assessments. The Developer shall be excused from the payment of the share of the Common Expenses and Assessments relating to the Unit it is offering for sale, for a period beginning with the recording of this Declaration and ending no later than the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first Unit

occurs. However, the Developer must pay the portion of the Common Expenses incurred during that period which exceeds the amount assessed against other Unit Owners.

During the period from the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first Unit occurs, until the earlier of the decontrol of the Association is turned over to Unit Owners other than the Developer, or one (1) year after the date of the closing of the first Unit in the Condominium (the “guarantee expiration date”), the Developer shall not be obligated to pay the share of the Common Expenses and Assessments attributable to the Units it is offering for sale, provided that the monthly Assessment for Common Expenses imposed on each Unit Owner other than the Developer shall not increase during such period over the amount indicated in the Estimated Operating Budget contained in the Prospectus, and provided further that the Developer shall be obligated to pay any amount of Common Expenses incurred during such period and not produced by the Assessments at the guaranteed level receivable from other Unit Owners, except that for purposes of determining such deficit, sums due the manager named under applicable management contract and sums due the Overall Association shall not be considered a common expense. After the Guarantee Expiration Date, the Developer shall have the option of extending the guarantee from month-to-month or paying the share of Common Expenses and Assessments attributable to Units it is then offering for sale, provided under no circumstances shall the Developer be obligated to pay any Assessments for a Unit until a certificate of occupancy is issued therefor.

Anything to the contrary in this Section 12.6 notwithstanding, the Developer shall not be obligated to find any deficits until all capital contributions and other Assessments shall have first been exhausted.

- 12.7 Possession of the Unit. Any person who acquires an interest in a Unit, except Institutional First Mortgagee through foreclosure of a first mortgage of record (or deed in lieu thereof), unless a claim of lien was filed by the Association prior to the recording of the applicable mortgage, including without limitation, persons acquiring title by operation of law, shall not be entitled to occupancy of the Unit or enjoyment of the Common Elements until such time as all unpaid Assessments and other charges due and owing by the former Owner, if any, have been paid.
- 12.8 Certificate of Unpaid Assessments. Any Unit Owner has a right to require from the Association a certificate showing the amount of unpaid Assessments against him/her with respect to his Unit.
13. Insurance. Insurance covering portions of the Condominium Property shall be governed by the following provisions:

13.1 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 which is authorized to do business in Florida and which, in the case of hazard insurance, has either a financial rating in best's financial insurance reports of class VI or better or a financial rating therein of class V and a general policyholder's rating of at least "A";
- (b) Approval. Each insurance policy, the agency and company issuing the policy and the insurance trustee (if appointed) hereinafter described shall be subject to the approval of the primary Institutional First Mortgagee in the first instance;
- (c) Named insured. The named insured shall be the Association, individually, and as agent for Owners of Units covered by the policy, without naming them, and as agent for their mortgagees, without naming them. The Unit Owners and their mortgagees shall be additional insured's;
- (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 endorsement 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 certificate shall be furnished not less than ten (10) days prior to the beginning of the term of the policy, or not less than ten (10) days prior to the expiration of each proceeding policy that is being renewed or replaced, as appropriate; and
- (f) Personal Property and Liability. Unit Owners may obtain insurance coverage at their own expense and at their own discretion upon the property line within the boundaries of their Unit including, but not limited to, their personal property, and for their personal liability and living expenses and for any other risks.

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

- (a) Casualty. The Building (including all fixtures, installation or additions comprising that part of the Building within the boundaries of the Unit initially installed, or replacements thereof, in accordance with the original plan and specifications therefor, but excluding all furniture, furnishings or other personal property owned, supplied or installed by Unit Owners or

tenants of Unit Owners) and all improvements located on the Common Elements from time to time together with all service machinery contained therein (collectively the “Insured Property”) shall be insured in an amount not less than 100% of the full insurable replacement value thereof, excluding foundation and excavation cost. Such policies may contain reasonable deductible provisions as determined by the Board of Directors of the Association. Such coverage shall afford protection against:

- (i) Loss or Damage by Fire and Other Hazards covered by a standard extended coverage endorsement; and
  - (ii) Such Other Risks as from time to time are customarily covered with respect to Buildings and improvements similar to the insured property in construction, location and use, including, but not limited to, vandalism and malicious mischief.
- (b) Liability. Comprehensive general public liability 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 other work, matters or things related to the insured property, with such coverage shall be required by the Board of Directors 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 if such is reasonably available;
- (c) Workers’ Compensation and other mandatory insurance, when applicable;
- (d) Flood insurance, if required by the primary Institutional First Mortgagee or if the Association so elects;
- (e) Fidelity Insurance covering all directors, officers and employees of the Association and managing agents who handle Association funds, the aggregate coverage of which shall be in whatever amount (not to exceed one-hundred fifty percent (150%) of the Association's annual estimated operating expenses and reserves for the period covered), the primary Institutional First Mortgagee may require by written notice to the Association, or, if no such notice is given, an amount the Board of Directors considers appropriate; and
- (f) Such Other Insurance as the Board of Directors of the Association may determine from time to time to be desirable.

When the appropriate and obtainable, of each foregoing policy shall waive the insurer's right to:

- (i) subrogation against the Association and against Unit Owners individually and as a group, (ii) the clause that reserves 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 in Act of the Board of Directors of the Association, or by a member of the Board of Directors of the Association or buy one or more Unit Owners.

13.3 Additional Provisions. All policies of physical damage insurance shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all named insureds, including all mortgagees of Units. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Directors may obtain an appraisal from a fire insurance company, or other competent appraiser, of the four 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 placed pursuant to this Section.

13.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense, except that the amount of increase in the premium occasioned by misuse, occupancy or abandonment of anyone or more Units or their appurtenances or of the Common Elements by a particular Unit Owner or Owners shall be assessed against and paid by such Owners. Premiums may be financed in such manner as the Board of Directors deems appropriate. \

13.5 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 Directors and which, if so appointed, shall be a bank, or trust company in Florida with trust powers, with its principal place of business in said state. 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 purpose 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 paragraph (b) below;

- (b) Optional Property. Proceeds on account of damage solely to Unit 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 Unit Owners or other portions of the Optional Property damage 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; and
- (c) Mortgagees. No mortgagee shall have any right to determine or participate in the determination as to whether or not any damage to property shall be reconstructed or repair, 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 distribution thereof made to the Unit Owner and mortgagee pursuant to the provisions of this Declaration.

13.6 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 13.5 above, and distributed pro rata first to all Institutional First Mortgagee in the amount sufficient to pay off their mortgages, and the balance, if any, to the beneficial Owners; and

- (d) Certificate. In making distributions to Unit Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon 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.
- 13.7 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 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.
- 13.8 Unit Owners' Personal Coverage. 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 AND OTHER RISKS NOT COVERED BY IN INSURANCE CARRIED BY THE ASSOCIATION.
- 13.9 Benefit of Mortgagees. Certain provisions in this Section 13 entitled "Insurance" are for the benefit of mortgagees of Units and may be enforced by such mortgagees.
- 13.10 Insurance Trustee. The Board of Directors of the Association shall have the option in its discretion of appointing an insurance trustee hereunder. If the Association fails to or elects not to appoint such trustee, the Association will perform directly all obligations imposed upon such trustee by this Declaration. Fees and expenses of any insurance trustee or incurred by the Association Board of Directors if Acting without an insurance trustee are Common Expenses.
14. Reconstruction or Repair after Fire or Other Casualty.
- 14.1 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 from the Association with respect thereto) as a result of fire or other casualty [unless 75% 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% or more of the applicable interest in the Common Elements elect not to proceed with repairs or restoration and the primary Institutional First Mortgagee, Institutional First Mortgagee's owning at least 70% of the first mortgages on Units and, if the Developer then owns one or more dwelling Units on the Lakeshore colony Lands (as defined in the Homeowners' Covenants) the Developer approve such election in writing],

the Board of Directors 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 under procedures it adopts. If 75% or more of the insured property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) is substantially damaged or destroyed and if Unit Owners owning 80% of the applicable interest in the Common Elements duly and promptly resolved not to proceed with repair or restoration thereof as the primary Institutional First Mortgagee, Institutional First Mortgagee owning at least 70% of the first mortgages on Units, and, if the Developer then owns one or more dwelling Units on Lakeshore Colony Lands (as defined in the Homeowners' Covenants), the Developer approve such resolution in writing, 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 interest 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 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 of priority of such mortgages and liens. Whenever in this Section the words "promptly repair" are used, it shall mean that repairs are to begin not more than sixty (60) days from the date the Insurance Trustee (if appointed) notifies the Board of Directors and Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of work, or not more than ninety (90) days after Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damage property is to be reconstructed or repair.

Anything to the contrary in this Declaration notwithstanding, all improvements damaged by fire or other casualty prior to the time the Developer has conveyed the last dwelling Unit intended to be constructed in Lakeshore Colony (as defined in the Homeowners' Covenants) must be repaired unless the Developer consents in writing to an election not to repair.

- 14.2 Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for improvements or as the improvements were actually constructed or, if not, then in accordance with the plans and specifications approved by the Board of Directors of the Association,

and if the damage property which is to be altered is the Building or the Optional Property, by the Owners of not less than 80% of the applicable interest 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.

- 14.3 Special Responsibility. If the damages 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 Owner 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 the 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), and all other instances, the responsibility for all necessary reconstruction and repair shall be that of the Association.
- 14.4 Estimate of Cost. 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 estimate of the cost to rebuild or repair.
- 14.5 Assessments. If the proceeds of the insurance are not sufficient to defray the estimated cost of the reconstruction and repair to be affected 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 cost of reconstruction and repair are insufficient, Assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments on account of damage to the insured property shall be in proportion to all of the Owners and respective shares in the Common Elements, and on account of damage to the optional property, in proportion to the cost of repairing the damage suffered by each Owner thereof, as determined by the Association.
- 14.6 Construction Funds. The funds for payment of the cost 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 Assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:
- (a) Association. If the total Assessments made by the Association in order to provide funds for payment of the cost of reconstruction and repair which are the responsibility of the Association are more than \$10,000.00, then the sums paid upon such 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 Assessments and disburse the same in payment of the costs of reconstruction and repair; and

- (b) Disbursement. The proceeds of insurance collected on account of 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 cost of reconstruction and repair, which are the responsibility of the Association, is less than \$50,000.00, then the construction fund shall be disbursed in payment of such cost upon the order of the Board of Directors of the Association; provided, however, that upon request to the Insurance Trustee (if appointed) by an Institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage;
  - (ii) Association-Major Damage. If the amount of the estimated cost of reconstruction and repair which are the responsibility of the Association is more than \$50,000.00, 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 cost of reconstruction and repair that are the responsibility of the Association, this balance maybe 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. Any such 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 each estimated cost to all affected Unit Owners, as determined by the board; provided, however, that's no Unit Owner shall be paid an amount in excess of the estimated cost of repair for his portion of the Optional Property. All proceeds best distributed to Owners must be used to effect

repairs to the Optional Property, and if insufficient to complete such repairs, the Owner 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 affected shall be distributed to the affected Unit Owners and their mortgagees jointly as elsewhere herein contemplated;

(iv) Surplus. It shall be presumed that the first monies disbursed in payment of cost of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Owners of the fund in the manner elsewhere stated; except, however, that that part of a distribution to an Owner which is not in excess of Assessments paid by such Owner into the construction fund shall not be made payable to any mortgagee; and

(v) Certificate. Notwithstanding the provisions herein, the Insurance Trustee (if appointed) shall not be required to determine whether or not sound is paid by Unit Owners upon Assessment shall be deposited by the Association with the Insurance Trustee (if appointed), nor to determine whether that this first ones 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 to determine whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the Assessments paid by the Owners, nor to determine the payees or 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.

14.7 Benefits of Mortgagees. Certain provisions in this Section 14 are for the benefit of mortgagees of Units and may be enforced by any of them.

15. Condemnation.

15.1 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 as shall be deposited with the Insurance Trustee (if appointed). even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee (if appointed); and in the event of failure to do so, in the discretion of the Board of Directors of the Association, a special Assessment shall be made against a defaulting Unit Owner in the amount of his award, or the amount of the award shall be set off against the sums hereafter made payable to that Owner.

- 15.2 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.
- 15.3 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 a 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 the 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 15 specifically provided.
- 15.4 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 exceeded the amount of the award, the additional funds required shall be assessed against the Owner of the Unit;
  - (b) Distribution of Surplus. The balance of the award in respect of the Unit, if any, shall be distributed to the Owner of the Unit and two each mortgagee of the Unit, the remittance being made payable jointly to the Owner and such mortgagees; and
  - (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 and 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 Unit after reducing 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 the division for each Unit shall be the adjusted percentage for each Unit.

15.5 Unit Made Uninhabitable. If the taking is of the entire Unit or so reduces the size of the 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 award shall be paid first to the applicable Institutional First Mortgagee in the amount sufficient to pay off their mortgages in connection with each Unit which is not so uninhabitable; second to the Association for any due and unpaid Assessments; and 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 appraised value of such Unit immediately prior to the taking as determined by the applicable trier of fact or as agreed upon between the parties. The balance, if any, shall be applied to repairing and replacing the Common Elements;
- (b) Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the Unit Owners in the manner approved by the Board of Directors of the Association; provided that if the cost of the work therefor shall exceed the balance of the bond from the award for the taking, Such work shall be approved in the manner elsewhere required for capital improvements to the Common Elements;
- (c) Adjustments 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 subsection 15.4(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 subsection 15.4 (c) hereof, by the percentage balance.

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

- (d) Assessments. If the balance of the award (after payments to the Unit Owner and such Owners mortgagees as above provided) for the taking is not sufficient to alter the remaining portion of the Unit for use as part of the Common Elements, the additional funds required for such purposes shall be raised by Assessment against all of the Unit Owners who will continue as Owners of Unit after the changes in the Condominium effected by the taking. The Assessment shall be made in proportion to the applicable percentage shares of those Owners after all adjustments to such shares effect that is pursuant hereto by reason of the taking; and
- (e) Arbitration. If the market value of the Unit prior to the taking cannot be determined by agreement between the Unit Owner and the 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 adjustment to such shares effected pursuant hereto by reason of the taking.

- 15.6 Taking Common Elements. Awards for the taking of Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for the capital improvements to the Common Elements. The balance of the awards for the taking of the Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustments

to the shares affected pursuant hereto by reason of the taking. If there is a mortgage on the Unit, the distribution shall be paid jointly to the Owner and the mortgagees of the Unit.

- 15.7 Amendment of Declaration. The changes in the Units, the Common Elements and the Ownership of the Common Elements and share in the Common Expenses and Common Surplus that are defective by the taking shall be evidenced by an amendment to this Declaration of Condominium that is only required to be approved by, and executed upon the direction of, a majority of all directors of Association.
16. 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:
- 16.1 Occupancy. Each Unit shall be used as a residence only, except as otherwise herein expressly provided. A Unit owned by an individual, corporation, partnership, trust or other fiduciary may only be occupied by the following persons, and such persons families and guest: (a) the individual Unit Owner, (b) an officer, director, stockholder or employee of such corporation,(c) a partner or employee of such partnership,(d) the fiduciary or beneficiary of such fiduciary or (e) permitted occupants under an approved lease or sublease of the Unit (as described below), as the case may be. Occupants of an approved leased or subleased Unit must be the following persons, and such person families and guests: (a) an individual lessee or subleasee, (b) an officer, director, stockholder or employee of a corporate lessee or subleasee (c) a partner or employee of a partnership leases or subleasee, or (d) a fiduciary or beneficiary of a fiduciary lessee or subleasee. Under no circumstances maybe 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 and children and grandchildren (16 years and over). In no event shall occupancy (except for temporary occupancy by visiting guests) shall exceed three (3) persons for a one (1) bedroom Unit and four (4) persons for a two (2) bedroom Unit. The Board of Directors shall have the power to authorize occupancy of a Unit by persons in addition to those set forth above four visits of temporary duration, not to exceed sixty (60) days in any calendar year. The provisions of this subparagraph 16.1 shall not be applicable to Units used by the Developer for model apartments, sales offices or management services.
- 16.2 Children. To the extent lawful, children under the age of sixteen (16) shall not be permitted to reside in the Unit, except children may visit and temporarily reside in Units for periods not exceeding sixty (60) days in total in any calendar year.
- 16.3 Pets. No animal may he kept on the Condominium Property unless it is owned by an Owner who purchased his Unit from the Developer and who owned the animal

when he/she purchased the Unit and unless the animal is a dog that does not exceed 15 pounds at maturity, a cat or another household pet (as defined by the Association). No Unit Owner may keep more than one (1) pet, and no pet may be kept, bred or maintained for any commercial purpose or become a nuisance or annoyance to neighbors. Unit Owners must pick-up all solid waste of their pets and dispose of such wastes appropriately. All pets (including cats) must be leashed at all times when outside the Unit. Dogs may not be in balconies or terraces when the Owner is not in the Unit. Without limiting the generality of Section 18 hereof, violation of the provisions of this paragraph shall entitle the Association to all of its rights and remedies including, but not limited to, the right to fine Unit Owners (as provided in any applicable rules and regulations) and/or to require any pet to be permanently removed from the Condominium Property upon three (3) days' notice.

- 16.4 Alterations. Without limiting the generality of Section 9.1 hereof, no Unit Owner shall cause or allow improvements or changes to any Limited Common Elements or Common Elements (including, but not limited to, painting or other decorating of any nature, installing any electrical wiring, television antenna, machinery or air condition Units or in any manner changing the appearance of any portion of the Building) without obtaining the prior written consent of the Association in the manner specified in Section 9.1 hereof.
- 16.5 Use Of Common Elements. 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.
- 16.6 Nuisances. No nuisances and 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.
- 16.7 No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction there over shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency 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.
- 16.8 Leases. No portion of the 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 of Incorporation and By-Laws of the Association, applicable rules and regulations, the Homeowners' Covenants or other applicable provisions of any agreement,

document or instrument governing the Condominium or administered by the Overall 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. The Unit Owner will be jointly and severally liable with the tenant to the Association for any amount which is required by the Association to repair any damage to the Common Elements resulting from Act or oh missions of tenants (as determined in the sole discretion of the Association) or to pay any claim for injury or damage to property caused by the negligence of the tenant. No Unit may be leased for a term shorter than three (3) months or more than twice in a calendar year. All leases shall also comply with and be subject to the provisions of Section 17 hereof and shall be subordinated to any lien filed by the Condominium Association or the Overall Association weather prior or subsequent to such lease.

- 16.9 Exterior Improvements; Landscaping. Without limiting the generality of Sections 9.1 or 16.4 hereof, no Unit Owner shall cause anything to be a fixed or attached to, hung or 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 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.
- 16.10 Effect on Developer; Association. The restrictions and limitations set fourth in this Section 16 shall not apply to the Developer or to Units owned by the Developer. The Association shall have the power (but not the obligation) to grant relief in particular circumstances from the provisions of specific restrictions contained in this Section 16 for good cause shown.
17. Selling, Leasing and Mortgaging Units. No Unit Owner other than the Developer may sell or lease his Unit except by from fine with the following provisions:
- 17.1 Right of First Refusal. Any Unit Owner who receives a *bona fide* offer to purchase or lease his Unit (such offer to purchase or lease a Unit, as the case may be, is called an “outside offer”, the party making such outside offer is called an “outside offeror”, and the Unit Owner to whom the outside offer is made is called an “offeree Unit Owner”), which he/she intends to accept shall give notice by registered mail to the Board of Directors of the receipt of such outside offer. Said notice shall also state the name and address of the outside offeror, the terms of the proposed transaction and such other information as the Board of Directors may reasonably require and shall include a copy of the document containing the outside offer. The giving of such notice to the Board of Directors shall constitute an offer such Unit Owner to sell his Unit or to lease his Unit to the Association or its designee upon the same terms and conditions as contained in such outside offer and shall also constitute a warranty and representation by the Unit Owner who has received such outside offer to the Association that such Unit Owner believes the outside offered to be *bona fide* in all respects. Offeree Unit Owner shall submit in

writing such further information with respect thereto as the Board of Directors may reasonably request. Not later than twenty (20) days after receipt of such notice, together with such further information as may have been requested, the Association or its designee may elect, by sending written notice to such offeree Unit Owner before the expiration of said twenty (20) day period, by certified mail, to purchase such Unit or to lease such Unit, as the case may be, upon the same terms and conditions as contained in the outside offer and as stated in the notice from the offeree Unit Owner.

In the event the Association shall timely elect to purchase such Unit or to lease such Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed at the office of the attorney(s) for the Association in accordance with the terms of the outside offer within the later of forty five (45) days after the giving of notice by the Association of its election to accept such offer or the closing date specified in the outside offer. If, pursuant to such outside offer to purchase said Unit, the outside offeror was to assume or take title to the Units subject to the offeree Unit Owners existing mortgage or mortgages, the Association may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing if such Unit is to be sold, the offeree Unit Owner shall convey the same to the Association, or to its designee, by statutory warranty deed with all tax and/or documentary stamps affixed at the expense of the Unit Owner who shall also pay the other taxes arising out of such sale. Title shall be good and marketable and insurable and offeree Unit Owner shall deliver an abstract or provide a title binder (and subsequently, title insurance) at its expense at least thirty (30) days prior to such closing. Real estate taxes, mortgage interest if any and Common Expenses shall be apportioned between the offeree Unit Owner and the Association, or its designee as of the closing date. In the event such Unit is to be leased, offered Unit Owner shall execute and deliver to the Board of Directors or its designee a lease between the offeree Unit Owner as landlord and the Association or its designee as tenants, covering such Units, for the rental and terms contained in the outside offer, provided no security deposit as specified in Section 16.8 hereof shall be required.

In the event the Association or its designee shall fail to accept such offer or, in the case of a release, shall fail to reject the proposed lease within twenty (20) days after receipt of notice and all additional information requested as aforesaid, the offeree Unit Owner shall be free to accept the outside offer within sixty (60) days after (a) notice of refusal is given by the Association, or (b) the expiration of the period in which the Association or its designee might have excepted such offer, as the case may be. In the event the offeree Unit Owner shall not, within such sixty (60) day period, accept, in writing, the outside offer or if the offeree Unit Owner shall except the outside offer within such sixty (60) day period but such sale or lease, as the case may be, shall not be consummated in accordance with the terms of such outside offer or within a reasonable time after the date set for closing thereunder, then, should such offeree Unit Owner thereafter elect sell such Unit or

to lease such Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all of the terms and provisions of this Section.

Any deed or lease to an outside offeror shall provide (or shall be deemed to provide) that the acceptance thereof by the grantee or tenant shall constitute an assumption of the provisions of the Declaration, y-Laws, the Articles of Incorporation, applicable rules and regulations, the Homeowners' Covenants and all other agreements documents or instruments affecting the Condominium Property or administered by the Overall Association, as the same may be amended from time to time.

Any lease executed in connection with the acceptance of any outside offeror to lease a Unit shall be consistent herewith and with the By-Laws and rules and regulations and shall provide specifically that (a) it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Directors, (b) The tenant shall not assigned his interest in such a lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board of Directors, and (c) the Board of Directors shall have the power, but shall not be obligated, to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the Landlord thereunder, in the event of (a) a default by tenant in the performance of its obligations under such lease, or (b) a foreclosure of the lien granted under the Act, such lease shall also comply with the provisions of Section 16.8 hereof.

Except as a hereinbefore set forth, the form of any such lease executed by the Association or outside offeror shop contain such other modifications as shall be approved in writing by the Board of Directors. Any lease executed by the Association as tenant shall provide that the Association may enter into a sublease of the premises without the consent of the landlord.

No Units may be sold or leased if its Owner is delinquent in the payment of Assessments.

Any purported sale or lease of a Unit in violation of this Section shall be voidable at any time at the election of the Association and if the Board of Directors shall so elect, the Unit's Owner shall be deemed to have authorized and empowered the Association to institute legal proceedings to evict the purported tenant (in case of an unauthorized leasing), in the name of said Unit Owner as the purported landlord. Said Unit Owner shall reimburse the Association for all expenses (including attorney's fees and disbursements) incurred in connection with such proceedings.

The foregoing restriction shall not apply to Units owned by or leased to the Developer or owned by any Institutional First Mortgagee acquiring title by foreclosure or by a deed in lieu of foreclosure. The Developer and such Institutional First Mortgagees shall have the right to sell, lease or sublease Units

they own without having to first offer the same for sale or lease to the Association and without any other restrictions

- 17.2 Consent of Unit Owners to Purchase or Lease of Units by the Association. The Association shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of Owners of a majority of the Units present in person or by proxy and voting at a meeting at which a quorum has been obtained.
- 17.3 No Severance of Ownership. No part of the Common Elements may be sold, conveyed or otherwise disposed of, except as an appurtenance to the Unit in connection with a sale, conveyance or other disposition of the Unit to which such interest is appurtenant of a Unit shall be deemed to include that Unit's appurtenant interest in the Common Elements.
- 17.4 Released By The Association of the Right of First Refusal. The right of first refusal contained in Section 17.1 may be released or waived by the Association only in the manner provided in Section 17.5. In the event the Association shall release or waive its right of first refusal as to any Unit, such Unit may be sold, conveyed or leased free and clear of the provisions of said Section 17.1.
- 17.5 Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by an officer of the Association stating that the provisions of Section 17.1 have been satisfied by a Unit Owner, or stating that the right of first refusal contained herein has been duly released or waived by the Association and that, as a result thereof, the rights of the Association thereunder have terminated (as to that sale or lease only), shall be conclusive with respect to all persons who rely on such certificate in good faith. The Board of Directors shall furnish such certificate upon request to any Unit Owner with respect to whom the provisions of such Section have, in fact, terminated or been waived. No fee shall be charged by the Association in connection with the furnishing of such certificate in excess of the charges reasonably required for same, and such charges shall not exceed the maximum amount allowed under the Act. No charge shall be made in connection with the consideration of the approval of an extension or renewal of a previously approved lease.
- 17.6 Financing of Purchase of Units by the Association. The purchase of any Unit by the Association shall be made on behalf of all Unit Owners if approved in the manner set forth in Section 17.2 hereof. If the available funds of the Association are insufficient to effectuate any such purchase, the Board of Directors may levy an Assessment against each Unit Owner (other than the offeree Unit Owner), in proportion to his share of the Common Expenses, and/or the Board of Directors may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation and of any portion of the Condominium Property other than the Unit to be purchased.

- 17.7 Exceptions. The provisions of Section 17.1 shall not apply with respect to any lease, sale or conveyance of any Unit by (a) The Unit Owner thereof to his/her spouse, adult children, parents, parents-in-law, adult 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, (b) the Developer, (c) the Association, (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of foreclosure, and (e) an Institutional First Mortgagee (or its designee) deriving title by virtue of foreclosure of its mortgage or acceptance of a deed in lieu of foreclosure; provided, however, that each succeeding Unit Owner shall be bound by, his/her Unit subject to, the provisions of this Section 17.
- 17.8 Gifts and Devices, Etc. Any Unit Owner shall be free to convey or transfer his/her Unit by gift, will or intestacy, without restriction; provided, however, that each succeeding Unit Owner shall be bound by and said Unit shall be subject to the provisions of this Section 17.
- 17.9 Mortgage of Units. Each Unit Owner shall have the right to mortgage his Unit without restriction.
18. Compliance and Default. Each Unit Owner and every occupant of the Unit and the Association shall be governed by and shall comply with the terms of this Declaration of Condominium and all exhibits annexed hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time. The Association and (Unit Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided in the Act:
- 18.1 Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents, lessees or invitees, but only to the extent such expense is not met by the proceeds of insurance actually collected by the Association in respect of such negligence.
- 18.2 Compliance. In the event a Unit Owner or occupant of the Unit 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 the Declaration, the By-Laws, the Articles of Incorporation of the Association, applicable rules and regulations, the Homeowners' Covenants, or any other agreement, document or instrument affecting the Condominium Property or administered by the Overall Association, in the manner required, the Association shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable fines, to sue such Unit Owner or occupant of the Unit in a court of law for damages, to suspend voting rights in Association matters, to assess the Unit's Owner and the Unit for the sums necessary to do what ever work is required to put the Unit Owner or Unit in

compliance and to collect such Assessment and have a lien therefor as elsewhere provided. In addition, the Association shall have the right, for itself and its employees and agents, to enter the Unit and perform the necessary work to enforce compliance with the above provisions (by force, if necessary), without having committed a trespass or incurred any other liability to the Unit Owner.

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

19. Termination of Condominium. The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Declaration, or (b) such time as withdrawal of the Condominium Property from the provisions of the Act is authorized by a vote of Owners only at least 80% of the applicable interest in the Common Elements and is approved in writing by the primary Institutional First Mortgagee, institutional mortgagees holding at least 70% of the mortgages on Units and, if the Developer then owns one or more dwelling Units on the Lakeshore Colony Lands (as defined in the Homeowners' Covenants), the Developer. 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 on said 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.

Anything to the contrary herein notwithstanding, the Condominium shall not be terminated as long as a Developer owns any dwelling Unit in Lakeshore Colony (as defined in the Homeowners' Covenants) without the prior written consent of the Developer.

This Section may not be amended without the consent of all institutional first mortgages and, as long as it owns any such dwelling Units, the Developer.

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

20.1 Inspect the Association's books and records during normal business hours;

- 20.2 Receive an unaudited financial statement of the Association within ninety (90) days after each of its fiscal years closes.
  - 20.3 Receive from the Association written notice of any meeting of the Association's membership and to attend any such meeting;
  - 20.4 Receive from the Association written notice of any default under this Declaration or the By-Laws by an Owner of a Unit encumbered by a mortgage to the Institutional First Mortgagee, if the default remains uncured for more than thirty (30) days;
  - 20.5 Receive timely written notice of casualty damage to or condemnation of any part of the Common Elements or any Unit on which it has a first mortgage or of any proposed termination of the Condominium;
  - 20.6 Be given an endorsement to each insurance policy covering the Condominium Property that requires that the Institutional First Mortgagee be given any notice of cancellation provided for in the policy; and
  - 20.7 Pay, singly or jointly, any overdue premiums on any hazard insurance policy covering the property referred to in Section 13.2(a) or obtain, singly or jointly, new hazard insurance coverage on the property upon the lapse of the policy, and, in either case, receive immediate reimbursement from the Association.
21. The Overall Association. The Condominium is part of a project known as Lakeshore Colony (the "Project"). The common properties of the Project (as defined in the Homeowners' Covenants) (which are expected to include all property other than the footprints of the Building and of all other Condominium Buildings to be constructed in the project and other than property subject to the Declaration of Covenants and restrictions for Lakeshore Colony Villas) are governed by the Overall Association pursuant to the Homeowners' Covenants. The Homeowners' Covenants also contain certain rules, regulations and restrictions relating to the use of such common properties, as well as the Condominium Property. Each Unit Owner will be a member of the Overall Association and subject to all of the terms and conditions of the Homeowners' Covenants, as amended from time to time. Among the powers of the Overall Association are the power to assess Unit Owners (and other members of the Overall Association) for a pro-rata share of the expenses of the operation and maintenance, and the management fees relating to such common properties, and to impose and foreclose liens in the event such Assessments are not paid when due. All such Assessments shall, for the purposes and subject to the limitations expressed herein, be Common Expenses. The Unit Owners shall also be entitled to use, on a non-exclusive basis, all of said common properties in accordance with the terms of the Homeowners' Covenants, providing certain of such common properties (such as parking areas) may be designated for the specific use of one or more of the Unit Owners, all as provided and the Homeowners' Covenants. If, for any reason, the Homeowners' Covenants are terminated, all rights to use the common properties shall immediately cease and terminate and the Developer shall have the right

to erect appropriate barricades to prevent such use. No prescriptive rights shall accrue to Unit Owners regardless of the length of time the Homeowners' Covenants are in effect.

22. Covenant Running with the Land. All provisions of this Declaration, the Articles, By-Laws and applicable rules and regulations of the Association, as well as the overall covenants and all applicable management contracts, 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 there in, and all of the provisions hereof and thereof shall binding upon and inure to the benefit of the Developer and the subsequent Owner(s) on the Land or any part thereof, or interest therein, and their respective heirs, personal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future Unit Owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration and such Articles, By-Laws and applicable rules and regulations, as well as the overall covenants, as they may be amended from time to time. The acceptance of a deed or conveyance, or the entering into occupancy of any Units, shall constitute an adoption and ratification by such Unit Owner, tenant or occupant of the provisions of this Declaration, and the Articles, By-Laws and applicable rules and regulations of the Association, as well as the overall covenants and all applicable management contracts, as they may be amended from time to time, including, but not limited to, a ratification of any appointments of attorneys-in-fact contained therein.

23. Additional Provisions.

23.1 Notices. All notices to the Association required or desired hereunder or under the By-Laws of the Association shall be sent by certified mail (return receipt requested) to the Association c/o 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 notices of a change of address, which shall be deemed to have been given when received, or five business days after proper mailing, whichever shall first occur.

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

- 23.3 Mortgagees. The Association shall not be responsible to any mortgagee or lienor of any Unit hereunder and may assume the Unit is free of any such mortgages or liens, unless written notice of the existence of such mortgage or lien is received by the Association.
- 23.4 Exhibits. There is hereby incorporated in this Declaration any materials contained in the exhibits annexed hereto which under the Act are required to be part of the Declaration.
- 23.5 Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a Vice President may be submitted 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 into separate capacities.
- 23.6 Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this Declaration, the exhibits annexed hereto or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, said dispute or litigation shall be governed by the laws of the state of Florida.
- 23.7 Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.
- 23.8 Waiver. No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.
- 23.9 Ratification. Each Unit Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of the Unit, by reason of his occupancy, shall be deemed to have acknowledged and agreed that all the provisions of this Declaration, and the Articles and By-Laws of the Association, and applicable rules and regulations, and applicable management contracts are fair and reasonable in all material respects.
- 23.10 Gender; Plurality. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular and the use of any gender shall be deemed to include all or no genders.

23.11 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 \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Signed, sealed and delivered in the presence of: DCA OF LAKESHORE, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

(CORPORATE SEAL)

STATE OF FLORIDA                    )  
  ) ss.  
COUNTY OF PALM BEACH         )

The foregoing Declaration of Condominium was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by \_\_\_\_\_, as the President of DCA OF LAKESHORE, INC., a Florida corporation, on behalf of said corporation.

[SEAL]

\_\_\_\_\_  
Notary Public for the State of Florida

My Commission expires: \_\_\_\_\_

LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC., a Florida not for profit corporation, hereby agrees to accept all the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration and exhibits attached hereto.

IN WITNESS WHEREOF, LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC. has caused these presents to be signed and its name by its proper officer and its corporate seal to be affixed this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Signed, sealed and delivered in the presence of: DCA OF LAKESHORE, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

(CORPORATE SEAL)

STATE OF FLORIDA                    )  
  ) ss.  
COUNTY OF PALM BEACH         )

The foregoing joinder was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
by \_\_\_\_\_, as the President of DCA OF LAKESHORE, INC., a  
Florida corporation, on behalf of said corporation.

[SEAL]

\_\_\_\_\_  
Notary Public for the State of Florida

My Commission expires: \_\_\_\_\_

rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, said dispute or litigation shall be governed by the laws of the State of Florida.

23.7 Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the Exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

23.8 Waiver. No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.

23.9 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 By-Laws of the Association, and applicable rules and regulations, and applicable management contracts are fair and reasonable in all material respects.

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

23.11 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 22<sup>nd</sup> day of DECEMBER, 1977.

Signed, sealed and delivered in the presence of:

Richard L. Korman

State In. Balle

DCA OF LAKESHORE, INC.

By [Signature]  
President



(CORPORATE SEAL)

STATE OF FLORIDA )  
COUNTY OF PALM BEACH ) SS:

The foregoing Declaration of Condominium was acknowledged before me this 22<sup>nd</sup> day of DECEMBER, 1977, by

83647 P1046

CARL PALMISCIANO as THE President of DCA OF LAKESHORE, INC., a Florida corporation, on behalf of said corporation.

William D. Baker  
NOTARY PUBLIC  
State of FLORIDA



My Commission Expires:  
Notary Public, State of Florida at Large  
My Commission Expires October 9, 1982

LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereby agrees to accept all the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration and Exhibits attached hereto.

IN WITNESS WHEREOF, LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC. has caused these presents to be signed in its name by its proper officer and its corporate seal to be affixed this 22<sup>nd</sup> day of DECEMBER, 1981.

Signed, sealed and delivered LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC. in the presence of:

Richard L. Kasner By Carl Palmer, President  
Linda M. Baker (CORPORATE SEAL)



STATE OF FLORIDA )  
                          ) SS:  
COUNTY OF PALM BEACH )

The foregoing joinder was acknowledged before me this 22<sup>nd</sup> day of DECEMBER, 1981, by CARL PALMISCIANO as President of LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, on behalf of said corporation.

William D. Baker  
NOTARY PUBLIC  
State of FLORIDA At Large



My Commission Expires:  
Notary Public, State of Florida at Large  
My Commission Expires October 9, 1982

89847 R1047

EXHIBIT 1

LEGAL DESCRIPTION

*This is not a certified copy*

88647 P1048

LAKESHORE COLONY No. 1

DESCRIPTION

A certain parcel of land lying in Section 15, Township 45 South, Range 43 East, Palm Beach County, Florida, said parcel of land being more particularly described as follows:

From the point of intersection of South Line of the North 1175.50 feet of said Section 15 with the easterly right-of-way line of the 94 foot wide right-of-way of U. S. Highway No. 1, run (bearings cited herein are in a meridian assuming North  $12^{\circ}47'06''$  East along the said easterly right-of-way line of U. S. Highway No. 1) North  $12^{\circ}47'06''$  East, running along the said easterly right-of-way line of U. S. Highway No. 1, a distance of 351.48 feet; thence South  $77^{\circ}12'54''$  East, at right angles to the last described course, a distance of 557.36 feet to the POINT OF BEGINNING of the herein described parcel of land; and from said POINT OF BEGINNING run, by the following numbered courses:

1. North  $57^{\circ}47'06''$  East, 28.50 feet; thence...
2. North  $32^{\circ}12'54''$  West, 5.67 feet; thence...
3. North  $57^{\circ}47'06''$  East, 23.00 feet; thence...
4. North  $32^{\circ}12'54''$  West, 16.00 feet; thence...
5. North  $57^{\circ}47'06''$  East, 13.33 feet; thence...
6. South  $32^{\circ}12'54''$  East, 22.33 feet; thence...
7. North  $57^{\circ}47'06''$  East, 53.43 feet; thence...
8. North  $32^{\circ}12'54''$  West, 14.77 feet; thence...
9. North  $77^{\circ}12'54''$  West, 11.59 feet; thence...
10. North  $12^{\circ}47'06''$  East, 24.00 feet; thence...
11. South  $77^{\circ}12'54''$  East, 11.59 feet; thence...
12. North  $57^{\circ}47'06''$  East, 8.93 feet; thence...
13. North  $32^{\circ}12'54''$  West, 96.26 feet; thence...
14. South  $57^{\circ}47'06''$  West, 22.33 feet; thence...
15. North  $32^{\circ}12'54''$  West, 11.33 feet; thence...
16. North  $57^{\circ}47'06''$  East, 16.00 feet; thence...
17. North  $32^{\circ}12'54''$  West, 23.00 feet; thence...
18. North  $57^{\circ}47'06''$  East, 5.67 feet; thence...
19. North  $32^{\circ}12'54''$  West, 28.50 feet; thence...
20. North  $57^{\circ}47'06''$  East, 42.00 feet; thence...
21. South  $32^{\circ}12'54''$  East, 54.50 feet; thence...
22. North  $57^{\circ}47'06''$  East, 5.67 feet; thence...

(cont'd)

89047 P.1049

EXHIBIT 1  
Sheet 1

Lakeshore Colony No. 1 Description (cont'd)

23. South 32°12'54" East, 164.67 feet; thence...
24. South 57°47'06" West, 7.33 feet; thence...
25. South 32°12'54" East, 11.33 feet; thence...
26. South 57°47'06" West, 11.33 feet; thence...
27. South 32°12'54" East, 7.33 feet; thence...
28. South 57°47'06" West, 116.00 feet; thence...
29. North 32°12'54" West, 5.67 feet; thence...
30. South 57°47'06" West, 54.50 feet; thence...
31. North 32°12'54" West, a distance of 42.00 feet, more or less, to the POINT OF BEGINNING.

03647 P1050

EXHIBIT 1  
Sheet 2

EXHIBIT 2

Allocation of Percentage Shares of  
Common Elements, Common Expenses and Common Surplus

Each of the following Units shall have a 2.65% percentage share of the Common Elements, Common Expenses and Common Surplus:  
B-101, B-108, B-201, B-208, B-301, B-308, B-401, B-408, B-501 and B-508.

All of the other Units shall have a 2.45% percentage share of the Common Elements, Common Expenses and Common Surplus.

*not a certified copy*

08047 P1001

Exhibit 3 In original documents and not part of this document

EXHIBIT 4

**BY-LAWS OF**  
**LAKESHORE COLONY NO. 1**  
**CONDOMINIUM ASSOCIATION, INC.**

**A Not for Profit Corporation Organized**  
**Under the Laws of the State of Florida**

1. Identity. These are the By-Laws of LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC. (the “Association”), a not for profit corporation incorporated under the laws of the State of Florida and organized for the purpose of administering that certain condominium located in Palm Beach County, Florida, and known as LAKESHORE COLONY NO. 1, a Condominium (the “Condominium”).

1.1 Principal Office. The principal office of the Association shall be 2514 Hollywood Boulevard, Hollywood, Florida 33020, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office.

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

1.3 Seal. The seal of the Association shall bear the name of the corporation, the word “Florida,” the words “Not for Profit Corporation,” and the year of incorporation.

2. Definitions. For convenience, these By-Laws shall be referred to as the “By-Laws,” the Articles of Incorporation of the Association as the “Articles” and the Association’s Board of Directors as the “Board of Directors” or the “Board.” The other terms used in these By-Laws shall have the same definition and meaning as those set forth in the Declaration for the Condominium, unless herein provided to the contrary or unless the context otherwise requires.

3. Members.

3.1 Annual Meeting. The annual members’ meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than thirteen (13) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the members or as stated in the notice of the meeting sent to Unit Owners in advance thereof.

3.2 Special Meetings. Special members’ meetings shall be held at such places as provided herein for annual meetings and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the

President or Secretary upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

- 3.3 Notice of Meeting; Waiver of Notice. Notice of a meeting of members stating the time and place and the purpose(s) for which the meeting is called shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on the Condominium Property. The notice of the annual meeting shall be sent by mail to each Unit Owner unless the Unit Owner waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The posting and mailing of the notice shall be effected not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Proof of posting shall be given by Affidavit and proof of mailing of the notice shall be given by retention of post office receipts.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is now lawfully called.

- 3.4 Quorum. A quorum at members' meetings shall be attained by the presence; either in person or by proxy, of persons entitled to cast thirty-three percent (33<sup>1</sup>/<sub>3</sub>%) of the votes of members in good standing. If voting rights of any member are suspended pursuant to the provisions of the Declaration, these By-Laws or applicable rules and regulations, the votes of such member so suspended shall not be counted for the purpose of determining the presence of a quorum and the total number of authorized votes shall be reduced accordingly during the period of such suspension.

3.5 Voting.

- (a) Number of Votes. Except as provided in paragraph 3.10 hereof, and except when the vote is to be determined by a percentage of shares of ownership in the Condominium (as contemplated in specific portions of the Declaration), in any meeting of members, the Owners of Units shall be entitled to cast one vote for each Unit owned. The vote of a Unit shall not be divisible.
- (b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Unit Owners for all purposes except where otherwise provided by law, the Declaration, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Declaration, the terms "majority of the Unit Owners" and "majority of the members" shall

mean those Unit Owners having more than fifty percent (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.

- (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. Such person need not be a Unit Owner or one of the joint owners. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an appropriate officer of the corporation and filed with the Secretary of the Association. Such person need not be a Unit Owner or a director or officer thereof. 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, notice of which has been given the Association's secretary. If a certificate designating the person entitled to cast the vote for a Unit for which such certificate is required is not on file or has been revoked, the vote of the Owner(s) of such Unit shall not be considered in determining whether a quorum is present, or 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. Such designee need not be a Unit Owner or a director or officer thereof. 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 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 the purposes of a quorum and may cast the Unit vote just as though he or she owned the Unit individually, and without establishing the concurrence of the absent person.
- (iii) If both are present at a meeting and concur, either one may cast the Unit Vote.

- 3.6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawful adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 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. Holders of proxies need not be Unit Owners, but no persons other than a designee of the Developer may hold more than 5 proxies.

- 3.7 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a 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 unless revoked for reasons other than the new date of the meeting.
- 3.8 Order of Business. If a quorum has been attained, the order of business at annual members' meeting and, if applicable, at other members' meetings, shall be:
- (a) Call to Order by President;
  - (b) Appointment by the President of a chairman of the meeting (who need not be a member or a director);
  - (c) Proof of notice of the meeting or waiver of notice;
  - (d) Reading of minutes;
  - (e) Reports of officers;
  - (f) Reports of committees;
  - (g) Appointment of inspectors of election;
  - (h) Determination of number of Directors;
  - (i) Election of Directors;
  - (j) Unfinished business;
  - (k) New Business;
  - (l) Adjournment.

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

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

- 3.10 Delinquent Owners. If any Assessment or portion thereof imposed against a Unit Owner remains unpaid for twenty (20) days after the date due and payable, such Unit Owner's voting rights in the Association shall be automatically suspended until all such past due Assessments and all other sums then due are paid, whereupon the voting rights shall be automatically reinstated.
- 3.11 Action Without a Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members, or 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 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. The affairs of the Association shall be governed by a Board of not less than three (3), nor more than nine (9), directors, the exact number to be determined in the first instance in the Articles and, thereafter, except as provided herein, from time to time upon majority vote of the membership. Directors need not be Unit Owners.
- 4.2 Election of Directors. The election of Directors shall be conducted in the following manner:
- (a) Election of Directors shall be held at the annual members' meeting, except as provided herein to the contrary.
  - (b) Nominations for Directors may be made pursuant to prearranged slates, but nominations for Directors and additional directorships created at the meeting may also be made from the floor.
  - (c) The election shall be by written ballot (unless dispensed with by majority consent of the Units represented at the meeting) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.
- 4.3 Vacancies and Removal.
- (a) Except as to vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors, provided that all

vacancies in directorship to which Directors were appointed by the Developer pursuant to the provisions of paragraph 4.16 hereof shall be filled by the Developer without the necessity of any meeting.

- (b) Any Director elected by the members may be removed by concurrence of a majority of the votes of the members at a special meeting of members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members at the same meeting unless such Director was appointed by the Developer, in which case the Developer shall appoint another Director without the necessity of any meeting. The conveyance of all Units owned by a Director in the Condominium (other than appointees of the Developer) shall constitute the resignation of such Director.
- (c) Provided, however, that 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 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.

- 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.
- 4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed members of the Board of Directors shall be held within ten (10) days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed, and no further notice to the Board of the organizational meeting shall be necessary.
- 4.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Regular meetings of the Board of Directors shall be open to all Unit Owners and notice of such meetings shall be posted conspicuously on the Condominium Property at least forty-eight (48) hours in advance for the attention of the members of the Association, except in the event of an emergency, provided that Unit Owners shall not be permitted to participate, and need not be recognized, at any such meeting.
- 4.7 Special Meetings. Special meetings of the Directors may be called by the President and must be called by the President or Secretary at the written request of one-third (1/3) of the Directors. Notice of the meeting shall be given personally

or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Special meetings of the Board of Directors shall be open to all Unit Owners and notice of a special meeting shall be posted conspicuously on the Condominium Property at least forty-eight (48) hours in advance for the attention of the members of the Association, except in the event of an emergency, provided that Unit Owners shall not be permitted to participate, and need not be recognized, at any such meeting.

- 4.8 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.
- 4.9 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approved by a greater number of Directors is specifically required by the Declaration, the Articles or these By-Laws.
- 4.10 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.
- 4.11 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall not constitute the presence of that Director for the purpose of determining a quorum.
- 4.12 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside). In the absence of the presiding officer, the Directors present may designate any person to preside.
- 4.13 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.

- 4.14 Minutes of Meetings: The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.
- 4.15 Executive Committee; Other Committees. The Board of Directors may by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Directors. Such Executive Committee shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Condominium during the period between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power to (a) determine the Common Expenses required for the affairs of the Condominium, (b) determine the Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium, (c) adopt or amend any rules and regulations covering the details of the operation and use of the Condominium Property, or (d) exercise any of the powers set forth in paragraphs (g) and (p) 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.

- 4.16 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 Directors until Unit Owners other than the Developer own fifteen percent (15%) or more of the Units that will be operated ultimately by the Association. When Unit Owners other than the Developer own fifteen percent (15%) 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 (1/3) of the members of the Board of Directors. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors (a) three years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to Purchasers; (b) three months after ninety percent (90%) 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, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business five percent (5%) or more of the Units that will be operated ultimately by the Association.

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

Within sixty (60) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors, or if the Developer has elected to accelerate such event as aforesaid, the Association shall call, and give not less than thirty (30) days' nor more than forty (40) days' notice of a meeting of the Unit Owners to elect such member or members of the Board of Directors. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

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

- (a) The original or a photocopy of the recorded Declaration of Condominium for each of the Condominiums operated by the Association and all amendments thereto. If a photocopy is provided, the Developer must certify by affidavit that it is a complete copy of the actual recorded Declaration;
- (b) A certified copy of the Articles of Incorporation for the Association;
- (c) A copy of the By-Laws of the Association;

- (d) The Minute Books, including all minutes, and other books and records of the Association;
- (e) Any Rules and Regulations which have been adopted;
- (f) Resignations of resigning officers and Board members who were appointed by the Developer;
  - (i) An audit and accounting, which need not be certified, for all Association funds performed by an auditor independent of the Developer, including capital accounts, reserve accumulations and contributions. To the extent required by law, the Developer is required to bear all expenses of the Association and of the operation of the Condominium in excess of ments or payments collected or due from Unit Owners prior to the time the Developer relinquishes control;
- (g) Association Funds or the control thereof;
- (h) All tangible personal property that is the property of the Association or is or was represented by the Developer to e part of the Common Elements or is ostensibly part of the Common Elements, and an inventory of such property;
- (i) A copy of the plans and specifications utilized in the construction or remodeling of 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 I n Florida, that such plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Condominium Property and the construction and installation of the mechanical components serving the Improvements and the Condominium Property;
- (j) Insurance policies;
- (k) Copies of any Certificates of Occupancy which may have been issued for the Condominium Property;
- (l) Any other permits issued by governmental bodies applicable to the Condominium Property in force or issued within one (1) year prior to the date the Unit Owners take control of the Association;
- (m) All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective;

- (n) A roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Developer's records;
- (o) Leases of the Common Elements and other Leases to which the Association is a party, if applicable;
- (p) Employment contracts or service contracts in which the Association or Unit Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service; and
- (q) All other contracts to which the Association is a party.

5. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration the Articles or these By-Laws may not be delegated to the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein) the following:

- (a) Operating and maintaining the Common Elements;
- (b) Determining the expenses required for the operation of the Condominium and the Association;
- (c) Collecting the Assessments for Common Expenses from Unit Owners;
- (d) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements;
- (e) Adopting and amending rules and regulations concerning the details of the operation and use of the Condominium Property, subject to a right of the Unit Owners to overrule the Board as provided in Section 13 hereof;
- (f) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor;
- (g) Purchasing, leasing or otherwise acquiring Units or other property in the name of the Association, or its designee;
- (h) Purchasing Units at foreclosure or other judicial sales, in the name of the Association, or its designee;
- (i) Selling, leasing, mortgaging or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association or its designee;
- (j) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property;

- (k) Obtaining and reviewing insurance for the Condominium Property;
- (l) Making repairs, additions and improvements to, or alterations of, the Condominium Property, and repairs to and restoration of the Condominium Property, in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise;
- (m) Enforcing obligations of the Unit Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Condominium;
- (n) Levying fines against appropriate Unit Owners for violations of the rules and regulations established by the Association to govern the conduct of such Unit Owners;
- (o) Purchasing or leasing Units for use by resident superintendents;
- (p) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements or the acquisition of property, and granting mortgages on and/or security interest in Association property; provided, however, that the consent of the Owners of at least two-thirds (2/3rds) of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum in excess of \$20,000.00, unless the borrowing is for the purpose of financing acquisition of a Unit, in which case the consent of Owners of only a majority of the Units represented shall be required. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this subparagraph (p) is not repaid by the Association, a Unit Owner who pays to the creditor any such portion thereof as his interest in his Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Unit Owner's Unit, provided the Association shall take no action authorized in this paragraph without the prior written consent of the Developer as long as the Developer owns any Unit.;
- (q) Contracting for the management and maintenance of the Condominium 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, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the

powers and duties granted by the Condominium documents and the Condominium Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association;

- (r) At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements for private parties and gatherings and imposing reasonable charges for such private use;
- (s) Suspending the right of any Unit Owner to vote or use the recreation facilities of the Condominium so long as said Unit Owner is delinquent in the payment of Common Expenses or otherwise in violation of the Declaration or any exhibits thereto or applicable rules and regulations;
- (t) Imposing a lawful fee in connection with the approval of the transfer, lease, sale or sublease of Units, not to exceed the maximum amount permitted by law in any one case;
- (u) Contracting with and creating special taxing districts;
- (v) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws, and in the Florida Condominium Act, and (ii) all powers incidental thereto, and all other powers of a Florida not for profit corporation.

6. Officers.

6.1 Executive Officers. The executive officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Officers need not be Unit Owners.

6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.

6.3 Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of 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 evidence of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a Treasurer's report to the Board of Director's at reasonable intervals and shall perform all other duties incident to the office of Treasurer. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.
- 6.6 Developer Appointees. No officer appointed by the Developer may be removed except as provided in Section 4.16 hereof and by law.

7. Compensation. Neither Directors nor offices shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, nor preclude contracting with a Director or officer for the management of the Condominium or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.

8. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any Director or officer (other than appointees of the Developer) shall 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 Directors shall from time to time, and at least annually, prepare a budget for the Condominium (which shall detail all accounts and items of expenses and contain at least all items set forth in Section 718.504(20) of the Act, if applicable), determine the amount of Assessments payable by the Unit Owners to meet the

expenses of such Condominium and allocate and assess such expenses among the Unit Owners in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. The amount of reserves shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby.

The adoption of a budget for the Condominium shall comply with the requirements hereinafter set forth:

- (i) Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Unit Owner not less than thirty (30) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meetings. The meeting shall be open to the Unit Owners, provided that the Unit Owners shall not have the right to participate, and need not be recognized, at such meeting.
- (ii) Special Membership Meeting. If a budget is adopted by the Board of Directors which requires Assessments against such Unit Owners in any year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding year, as hereinafter defined, upon written application of ten percent (10%) of the Unit Owners, a special meeting of the Unit Owners shall be held within thirty (30) days of delivery of such application to the Board of Directors. Each Unit Owner shall be given at least ten (10) days' notice of said meeting. At the special meeting, Unit Owners shall consider and adopt a budget. The adoption of said budget shall require a vote of Owners of not less than fifty percent (50%) of all the Units (including Units owned by the Developer).
- (iii) Determination of Budget Amount. In determining whether a budget requires Assessments against Unit Owners in any year exceeding one hundred fifteen percent (115%) of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors with respect to repair or replacement of the Condominium Property or with respect to anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded from such

computation Assessments for improvements to the Condominium Property and All Assessments imposed for the benefit of the Overall Association

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

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

9.2 Assessments. Assessments against the Unit Owners for their share of the items of the budget shall be made for the applicable fiscal year annually at least twenty (20) 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 month (or each quarter at the election of the Board) of the year for which the Assessments are made. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment, and monthly (or quarterly) installments on such Assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual Assessment proves to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors, 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 months (or quarters) of the fiscal year left as of the date of such amended Assessment, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended Assessment shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

9.3 Assessments Charges. Charges by the Association against members for other than Common Expenses shall be payable in advance. These charges may be collected by Assessment in the same manner as Common Expenses and, when circumstances permit, those charges shall be added to the Assessments for Common Expenses. Charges for other than Common Expenses may be made

only after approval of a member of when expressly provided for in the Declaration or the exhibits annexed thereto, as the same may be amended from time to time, which charges may include, without limitation, charges for the use of portions of the Condominium Property, maintenance services furnished at the expense of an Owner, other services furnished for the benefits of an Owner and fines and damages and other sums due from such Owner.

- 9.4 Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual Assessments for Common Expenses shall be due only after thirty (30) days' notice is given to the Unit Owners concerned, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of Assessment.
- 9.5 Depository. The depository of the Association shall be such bank or banks in the State 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 sums collected by the Association from Assessments or contributions to working capital or otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors.
- 9.6 Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon an Assessment, the Board of Directors or its agent may accelerate the remaining installments of the Assessment upon notice to the Unit Owner, and the then unpaid balance of the Assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.
- 9.7 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all persons handling or responsible for Association funds in such amount as shall be determined by a majority of the Board. The premiums on such bonds shall be paid by the Association as a Common Expense.
- 9.8 Accounting Records and Reports. The Association shall maintain accounting records in the State, according to accounting practices normally used by similar association or the Manager under any applicable management contract. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to (a) a record of all receipts and expenditures, and (b) an account for each Unit designating

the name and current mailing 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) above, in the form and manner specified below, shall be supplied to each Unit Owner annually.

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

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

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

9.10 Notice of Meeting. 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 Limitation. The Developer shall not be liable for the payment of any Assessments applicable to Units it owns which relate in any way to the payment of legal or other fees to persons or entities engaged for the purpose of suing, or making, preparing or investigating possible claims against the Developer.

10. Roster of Unit Owners. Each Unit Owner shall file with the Association a copy of the deed or other documents showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Unit Owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting. No Owner shall be entitled to vote or to be counted for purposes of determining a quorum if delinquent in the payment of Assessments.

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

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

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

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

- (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 sixty-six and two-thirds percent ( $66\frac{2}{3}\%$ ) of the entire Board of Directors; or
- (b) by not less than eighty percent (80%) of the votes of the members of the Association represented at a meeting at which a quorum has been attained; or
- (c) by not less than one hundred percent (100%) of the entire Board of Directors.

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

12.4 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that that amendment was duly adopted as an amendment of

the Declaration and By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of the County.

13. Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations concerning the use of portions of the Condominium. The Board of Directors may, from time to time, modify, 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 Directors to each affected Unit Owner not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Developer.

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

15. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.

The foregoing was adopted as the By-Laws of LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC., a not for profit corporation under the laws of the State of Florida, on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Approved:

\_\_\_\_\_

President

\_\_\_\_\_

Secretary

SCHEDULE A  
TO  
BY-LAWS

**RULES AND REGULATIONS**

**FOR**

**LAKESHORE COLONY NO. 1, A CONDOMINIUM**

1. The entrance, passages, vestibules, elevators, lobbies, halls and like portions of the Common Elements shall not be obstructed nor used for any purpose other than for ingress and egress to and from the Condominium Property; nor shall any carts, bicycles, carriages, chairs, tables or any other similar objects be stored therein.

2. The personal property of Unit Owners must be stored in their respective Units or in assigned storage lockers, if any.

3. No garbage cans, supplies, milk bottles or other articles shall be placed on the balconies or other Common Elements. No linens, cloths, clothing, curtains, rugs, mops or laundry of any kind, or other articles, shall be shaken or hung from any of the windows, doors, balconies, terraces or other portions of the Condominium Property.

4. No Unit Owner shall permit anything to fall from a window or door of the Condominium Property, nor sweep or throw from the Condominium Property any dirt or other substance into any of the balconies or elsewhere in the Building or upon the Common Elements.

5. All refuse must be deposited with all other refuse in areas designated for such purpose by the Developer.

6. Employees of the Association are not to be sent out by Unit Owners for personal errands. The Board of Directors shall be solely responsible for directing and supervising employees of the Association.

7. No Unit Owner shall make or permit any disturbing noises in the Building by himself or his family, servants, employees, agents, visitors or licensees, nor permit any conduct by such persons that will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play or permit to be played any musical instrument, nor operate or permit to be operated a phonograph, television, radio or sound amplifier in his Unit in such a manner as to disturb or annoy other residents. No Unit Owner shall conduct nor permit to be conducted, vocal or instrumental instruction at any time which disturbs other residents.

8. No radio or television installation may be permitted in any Unit which interferes with the television or radio reception of another Unit.

9. No sign, advertisement, notice, or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, on or upon any part of the Condominium Property, except signs used or approved by the Developer. Additionally, no awning, canopy, shutter, air-conditioning unit or other projection shall be attached to, hung, displayed or placed upon the outside walls, doors, balconies, windows, roof or other portion of the Building or on the Common Elements.

10. The Association may retain a passkey to all Units. No Unit Owner shall alter any lock, nor install a new lock, without the prior written consent of the Board of Directors. Where such consent is given, the Unit Owner shall provide the Association with an additional key.

11. Barbecuing shall be permitted only in balconies.

12. No flammable, combustible or explosive fluids, chemicals or substances shall be kept in any Unit or on the Common Elements, except such as are normally used in small barbecues.

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

14. Food and beverages may not be consumed on the Common Elements.

15. Curtains and drapes (or linings thereof) which face on exterior windows or glass doors of Units shall be subject to disapproval by the Board, in which case they shall be removed and replaced with acceptable items.

16. No Unit shall have any aluminum foil placed in any window or glass door or any reflective substance placed on any glass, except such as is approved by the Board of Directors for energy conservation purposes.

17. No exterior antennae shall be permitted on the Condominium Property or Improvements thereon, provided that the Developer shall have the right (but not the obligation) to install and maintain community antennae and radio and television lines and other temporary communications systems.

18. Children will be the direct responsibility of their parents or legal guardians who must supervise them while they are within the Condominium Property. Full compliance with these Rules and Regulations and all other rules and regulations of the Association shall be required of such children. Playing shall not be permitted in any of the lobbies, hallways, stairways, elevators and lobby areas, and loud noises will not be tolerated.

19. Pets, birds, fish and other animals shall neither be kept nor maintained in or about the Condominium Property except with the prior written permission of the Association and then only in accordance with the provisions of the Declaration. No pet shall be permitted outside of

its Owner's Unit unless attended by an adult and on a leash not more than six (6) feet long. Pets shall be walked only upon those portions of the Common Properties designated by the Overall Association from time to time for such purposes.]

20. Every Owner and occupant shall comply with these Rules and Regulations as set forth herein, any and all rules and regulations which from time to time may be adopted, and the provisions of the Declaration, By-Laws and Articles of Incorporation of the Association, as amended from time to time. Failure of an Owner or occupant to so comply shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend voting rights in the event of failure to so comply.

In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees or employees, to comply with any covenant, restriction, rule or regulation herein or in the Declaration, or Articles of Incorporation or By-Laws, provided the following procedures are adhered to:

(a) Notice: The Association shall notify the Owner or occupant of the infraction or infractions. Included in the notice shall be a date and time of the next Board of Directors meeting at which time the Owner or occupant shall present reasons why penalties should not be imposed. The Owner or occupant may be represented by counsel and may cross-examine witnesses.

(b) Hearing. The non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why penalties should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner or occupant by not later than twenty-one (21) days after the Board of Directors' meeting.

(c) Penalties. The Board of Directors may impose special Assessments against the applicable Unit as follows:

(1) First non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00);

(2) Second non-compliance or violation: a fine not in excess of Five Hundred Dollars (\$500.00);

(3) Third and subsequent non-compliance or violation or violations which are of a continuing nature: a fine not in excess of One Thousand Dollars (\$1,000.00).

(d) Payment of Penalties: Fines shall be paid not later than thirty (30) days after notice of the imposition or assessment of the penalties.

(e) Collection of Fines: Fines shall be treated as an Assessment subject to the provisions for the collection of Assessments as set forth in the Declaration and By-Laws.

(f) Application of Penalties: All monies received from fines shall be allocated as directed by the Board of Directors.

(g) Non-exclusive Remedy: These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

21. Notwithstanding anything to the contrary in the foregoing rules and regulations, those rules and regulations shall not apply to the Developer, to the Developer's agents, employees or contractors, or to the Units owned by the Developer while owned by the Developer. All of these rules and regulations shall apply, however, to all other Owners and occupants even if not specifically so stated in portions hereof. The Board of Directors shall be permitted (but not required) to grant relief to one or more Unit Owners from specific rules and regulations upon written request therefor and good cause shown in the sole opinion of the Board.

**ARTICLES OF INCORPORATION  
FOR  
LAKESHORE COLONY NO. 1 CONDOMINIUM ASSOCIATION, INC.**

The undersigned subscribers by these Articles associate themselves for the purpose of forming a not for profit corporation pursuant to the laws of the State of Florida, and hereby adopt the following Articles of Incorporation:

ARTICLE 1

NAME

The name of the corporation shall be LAKESHORE COLONY NO. 1 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 By-Laws of the Association as the "By-Laws."

ARTICLE 2

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 that certain condominium located in Palm Beach County, Florida, and known as LAKESHORE COLONY NO. 1, A CONDOMINIUM (the "Condominium").

ARTICLE 3

DEFINITIONS

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

ARTICLE 4

POWERS

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

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

4.2 Enumeration. The Association shall have all of the powers and duties set forth in the Act and all of the powers and duties reasonably necessary to operate the Condominium pursuant to the Declaration and as more particularly described in the By-Laws, as they may be amended from time to time, including, but not limited to, the following:

- (a) To make and collect Assessments and other charges against members as Unit Owners and to use the proceeds thereof in the exercise of its powers and duties;
- (b) To buy, own, operate, lease, sell, trade and mortgage both real and personal property;
- (c) To maintain, repair, replace, reconstruct, add to and operate the Condominium Property, and other property acquired or leased by the Association;
- (d) To purchase insurance upon the Condominium Property and insurance for the protection of the Association, its officers, directors and Unit Owners;
- (e) To make and amend reasonable rules and regulations for the maintenance, conservation and use of the Condominium Property and for the health, comfort, safety and welfare of the Unit Owners;
- (f) To approve or disapprove the leasing, transfer, ownership and possession of Units as may be provided by the Declaration;
- (g) To enforce by legal means the provisions of the Act, the Declaration, these Articles, the By-Laws and the rules and regulations for the use of the Condominium Property subject, however, to the limitation regarding assessing Units owned by the Developer for fees and expenses relating in any way to claims or potential claims against the Developer as set forth in the Declaration and/or By-Laws;
- (h) To contract for the management and maintenance of the Condominium Property and to authorize 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, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium Act including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association; and
- (i) To employ personnel to perform the services required for the proper operation of the Condominium.

- 4.3 Condominium Property. All funds and the titles to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles and the By-Laws.
- 4.4 Distribution of Income; Dissolution. The Association shall make no distribution of income to its members, directors or office and, upon dissolution, all assets of the Association shall be transferred only to another non-profit corporation or a public agency.
- 4.5 Limitation. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration, the By-Laws and the Act.

## ARTICLE 5

### MEMBERS

- 5.1 Membership. The members of the Association shall consist of all of the record title owners of Units in the Condominium from time to time and, after termination of the Condominium, shall also consist of those who were members at the time of such termination, and their successors and assigns.
- 5.2 Assignment. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit for which that share is held.
- 5.3 Voting. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Unit, which vote shall be exercised or cast in the manner provided by the Declaration and By-Laws. Any person or entity owning more than one Unit shall be entitled to one vote for each Unit owned.
- 5.4 Meetings. The By-Laws shall provide for an annual meeting of members, and may make provision for regular and special meetings of members other than the annual meeting.

## ARTICLE 6

### TERM OF EXISTENCE

6. The Association shall have perpetual existence.

## ARTICLE 7

### SUBSCRIBERS

The names and addresses of the subscribers to these Articles are as follows:

<u>NAME</u>	<u>ADDRESS</u>
CARL PALMISCIANO	2514 Hollywood Boulevard Hollywood, Florida 33020
STEVEN I. ENGEL	2514 Hollywood Boulevard Hollywood, Florida 33020
LUIS A. CLARK	2514 Hollywood Boulevard Hollywood, Florida 33020

ARTICLE 8

OFFICERS

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

<u>NAME</u>	<u>ADDRESS</u>
President:	
CARL PALMISCIANO	2514 Hollywood Boulevard Hollywood, Florida 33020
Vice-President:	
CARLOS MUNIZ	2514 Hollywood Boulevard Hollywood, Florida 33020
Secretary-Treasurer	
LUIS A. CLARK	2514 Hollywood Boulevard Hollywood, Florida 33020

ARTICLE 9

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 By-Laws, but which shall consist of not less than three (3) directors. Directors need not be members of the Association or residents of Units in the Condominium.

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

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

9.4 Term of Developer’s Directors. The Developer of the Condominium shall appoint the members of the first Board of Directors and their replacements who shall hold office for the periods described in the By-Laws.

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

<u>NAME</u>	<u>ADDRESS</u>
CARL PALMISCIANO	2514 Hollywood Boulevard Hollywood, Florida 33020
CARLOS MUNIZ	2514 Hollywood Boulevard Hollywood, Florida 33020
SUSAN HIGHSMITH	2514 Hollywood Boulevard Hollywood, Florida 33020

ARTICLE 10

INDEMNIFICATION

10.1 Indemnity. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, employee, officer or agent of the Association, against expenses (including attorneys’ fees and appellate attorneys’ fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such 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, had 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 been adjudged 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 equivalents 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 Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or by a majority of the members.
- 10.4 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in any specific case upon receipt of an undertaking by or on behalf of the affected director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article 10.
- 10.5 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

- 10.6 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving, at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

## ARTICLE 11

### BY-LAWS

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

## ARTICLE 12

### AMENDMENTS

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

- 12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.
- 12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing the approval is delivered to the Secretary at or prior to the meeting. The approvals must be:
- (a) by not less than a majority of the votes of all of the members of the Association represented at a meeting at which a quorum thereof has been attained and by not less than  $66\frac{2}{3}$  percent of the entire Board of Directors; or
  - (b) by not less than 80% of the votes of all of the members of the Association represented at a meeting at which a quorum has been attained; or
  - (c) by not less than 100% of the entire Board of Directors.
- 12.3 Limitation. Provided, however, that no amendment shall make any changes in the qualifications for membership nor in the voting rights or property rights of members, nor any changes in Sections 4.3, 4.4 or 4.5 of Article 5, entitled "Powers," without the approval in writing of all members and the joinder of all record owners of mortgages upon Units. No amendment shall be made that is in

conflict with the Act, the Declaration or the By-Laws, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the amendment. No amendment to this paragraph 12.3 shall be effective.

12.4 The Developer may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Developer alone.

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

ARTICLE 13

INITIAL REGISTERED OFFICE ADDRESS  
AND NAME OF REGISTERED AGENT

The initial registered office of this corporation shall be at 2514 Hollywood Boulevard, Hollywood, Florida 33020, with the privilege of having its office and branch offices at other places within or outside the State of Florida. The initial registered agent at that address shall be STEVEN I. ENGEL.

IN WITNESS WHEREOF, the subscribers have affixed their signature the days and years set forth below.

\_\_\_\_\_  
CARL PALMISCIANO (SEAL)

\_\_\_\_\_  
STEVEN I. ENGEL (SEAL)

\_\_\_\_\_  
LUIS A. CLARK (SEAL)

STATE OF FLORIDA                    )  
  ) ss.  
COUNTY OF BROWARD            )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by \_\_\_\_\_, CARL PALMISCIANO.

[SEAL]

\_\_\_\_\_  
Notary Public for the State of Florida

My Commission expires: \_\_\_\_\_

STATE OF FLORIDA                    )  
  ) ss.  
COUNTY OF BROWARD                )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by \_\_\_\_\_, STEVEN I. ENGEL.

[SEAL]

\_\_\_\_\_  
Notary Public for the State of Florida

My Commission expires: \_\_\_\_\_

STATE OF FLORIDA                    )  
  ) ss.  
COUNTY OF BROWARD                )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by \_\_\_\_\_, LUIS A. CLARK.

[SEAL]

\_\_\_\_\_  
Notary Public for the State of Florida

My Commission expires: \_\_\_\_\_

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

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

First - - That 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 Hollywood, County of Broward, State of Florida, the corporation named in said Articles has named STEVEN I. ENGEL, located at 2514 Hollywood Boulevard, City of Hollywood, County of Broward, State of Florida, 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 agree to comply with the provisions of Florida law relative to keeping the registered office open.

\_\_\_\_\_  
STEVEN I. ENGEL,  
Registered Agent

DATED this \_\_\_\_\_ day of \_\_\_\_\_,  
201\_\_.