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OFFICIAL RECORDS

DECLARATION OF CONDOMINIUM  
FOR  
DEERFIELD LAKES, A CONDOMINIUM

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FOR  
DEERFIELD LAKES, A CONDOMINIUM

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- D        Graphic Depiction of Improvements for Deerfield Lakes,  
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FOR  
DEERFIELD LAKES  
A CONDOMINIUM

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ATTACHMENTS/VOLUME I

1. Declaration of Condominium for Deerfield Lakes,  
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2. Condominium Budget
3. Rules and Regulations
4. Form of Purchase and Sale Agreement
5. Condominium Management Agreement
6. Escrow Agreement
7. Form of Amendment to Add Subsequent Phases
8. Easements Affecting the Condominium

## SUMMARY

1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.
3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.
4. THE CONDOMINIUM UNITS ARE BEING SOLD ON FEE SIMPLE INTEREST.
5. THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.
6. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS COMING DUE FOR THE USE, MAINTENANCE UPKEEP OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.
7. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE CONDOMINIUM ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.
8. THE LEASING OF UNITS IS RESTRICTED OR CONTROLLED.
9. PRIOR TO SUBMITTING THE CONDOMINIUM PROPERTY TO CONDOMINIUM OWNERSHIP, THE DEVELOPER SHALL CAUSE THE CONDOMINIUM ASSOCIATION TO ENTER INTO A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH COMETA PROPERTY MANAGEMENT, INC. THE MANAGEMENT COMPANY IS NOT AFFILIATED WITH THE DEVELOPER. IN THE EVENT THAT THE MANAGEMENT CONTRACT IS TERMINATED IN ACCORDANCE WITH ITS TERMS, DEVELOPER RESERVES THE RIGHT TO ENTER INTO A SIMILAR CONTRACT WITH ANOTHER MANAGEMENT AGENT.
10. RECREATIONAL FACILITIES IN THE CONDOMINIUM MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE CONDOMINIUM ASSOCIATION.
11. THIS IS A PHASED CONDOMINIUM. ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM.
12. THE BUILDINGS AND UNITS WHICH ARE ADDED TO THIS CONDOMINIUM MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER BUILDINGS IN THE CONDOMINIUM.

# DECLARATION OF CONDOMINIUM

FOR

## DEERFIELD LAKES, A CONDOMINIUM

THIS DECLARATION is made this 15<sup>th</sup> day of January, 1987, by Deerfield Lakes Associates, Ltd., a Florida limited partnership, ("Developer"), in and by which the Developer makes the following declarations.

### 1. INTRODUCTION AND SUBMISSION

#### 1.1 Submission Statement.

Developer hereby submits to the condominium form of ownership and use the land described in Exhibit A hereof, the improvements now and hereafter situated thereon, and the easements and rights appurtenant thereto (the "Condominium Property"), pursuant to Chapter 718, Florida Statutes, 1985, as amended to the date hereof (the "Condominium Act"). This is a phased condominium as described in Section 718.403, Florida Statutes. Additional land (more fully described in Exhibit A-1) may be submitted to condominium form of ownership pursuant to the provisions of Article 20 hereof.

#### 1.2 Name.

The name by which this condominium is to be identified is DEERFIELD LAKES, A CONDOMINIUM, sometimes herein called the "Condominium." The street address is 791 Assisi Lane, Mayport, Duval County, Florida.

#### 1.3 The Land.

The land submitted to Condominium is situated in Duval, Florida, and is described in Exhibit "A" attached hereto and made a part hereof, and consists of a parcel of real property (the "Land") upon which will be situated residential improvements ("Condominium Buildings") and Common Elements which are submitted hereby to condominium ownership, excluding therefrom all portions of the Land and pipes, lines or conduits installed thereupon reserved by Developer for itself, its successors or assigns for the installation of utilities and/or cable television. A survey and site plan of the Land is attached hereto and made a part hereof as Exhibit "C."

### 2. DEFINITIONS.

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

2.2. "Association" or "Condominium Association" means Deerfield Lakes Condominium Association, Inc., a not for profit Florida corporation, the entity responsible for the operation of the Condominium.

2.3. "Board" or "Board of Directors" means the Board of Directors of the Association pursuant to the Articles and Bylaws thereof.

2.4 "Building" means the structure or structures situate on the Condominium Property in which the Units are located, regardless of the number thereof. In connection with the insuring of the Condominium Property, the term "Building" has a more specific meaning more fully set forth in Section 10.2.

2.5 "Bylaws" mean the Bylaws of the Association.

2.6 "Common Elements" mean and include the portions of the Condominium Property which are not included within the Units, which is more specifically set forth in Section 3.6 hereof. Common Elements shall not include improvements installed by Unit Owners.

2.7 "Common Expenses" mean all expenses properly incurred by the Association for the Condominium.

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

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

2.10 "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.

2.11 "County" means the County of Duval, State of Florida.

2.12 "Declaration" or "Declaration of Condominium" means this instrument, as it may be amended from time to time.

2.13 "Improvements" mean all structures and artificial changes to the natural environment (exclusive of landscaping) located on the Condominium Property.

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

2.15 "Mortgagee" means a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), the Administrator of the Veterans Administration or Federal Housing Administration and other similar insurers and guarantors of mortgages, mortgage banker, or any other lender generally recognized as an institutional-type lender, or the Developer, holding a mortgage on a Unit or Units.

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

2.17 "Unit" means a part of the Condominium Property which is subject to exclusive ownership.

2.18 "Unit Owner" or "Owner of a Unit" or "Owner" means the record owner of a Condominium Parcel.

2.19 "Voting Interest" means the voting rights as distributed to the members in accordance with the Articles.

2.20 "Voting Certificate" means a document which designates one of the record title owners on the corporate partnership or entity representative who is authorized to vote on behalf of a Unit owned by more than one owner or any entity.

### 3. DESCRIPTION OF CONDOMINIUM PROPERTY.

#### 3.1 Number and Identification of Units.

Exhibit "D", attached hereto and made a part hereof includes a graphic description of the improvements comprising part of the Condominium Property. The Improvements in Phase 1 consist of twenty-two (22) Units located in one (1) two-story building and two (2) one-story buildings. Each "Unit" is identified (as defined in the Condominium Act and herein) by number. A plot (site) plan of the improvements is annexed and made a part hereof as Exhibit "C."

The construction of the improvements on the Land may not be substantially complete; however, at the time the Improvements or a portion thereof are substantially completed, the Developer shall cause this Declaration to be recorded to include a Certificate of Surveyor authorized to practice in this State. The certificate, which is attached, shall provide that the construction of the Improvements or certain Units to be conveyed are substantially complete so that the materials in Exhibits "A", "C" and "D," together with the provisions of the Declaration describing the Land and the Common Elements is an accurate representation of the location and dimensions of the Improvements and that the identification, location and dimensions of the Common Elements and of each Unit to be conveyed can be determined from these materials.

#### 3.2 Residential Buildings (Phase 1).

The Phase 1 improvements shall include one two-story building and two (2) one-story buildings containing twenty-two (22) Units and other appurtenant Common Elements and Limited Common Elements.

#### 3.3 Residential Buildings - Subsequent Phases.

The Developer has reserved certain rights in connection with the construction of the Subsequent Phases. See Article 20 for more detail.

#### 3.4 Other Improvements.

In addition to the Condominium Buildings situated thereon, the Land also includes improvements, consisting of unassigned parking spaces, roadways, walks, landscaping, mail kiosk, dumpster with protective fencing and all underground structures and improvements which are not part of or located within the Building, and which are not elsewhere herein reserved to and/or retained by Developer, such as wires, cables, drains, pipes, ducts, conduits, valves and fittings.

#### 3.5 Units.

The term "Units" as used herein, shall mean and comprise the twenty-two (22) condominium units in Phase 1 in the Condominium which are located and individually described in Exhibit "D" hereto. If subjected to this Declaration, the term "Units" shall also refer to the units to be constructed on the land described in Exhibit A-1.

Each Unit shall include that part of the Building containing such Unit that lies within the following boundaries:

(a) Upper and lower boundaries.

The upper and lower boundaries of a Unit shall be the boundary of the horizontal plane of the unfinished ceiling surface extended to an intersection with the perimetrical boundaries as an upper boundary and the boundary of the horizontal plane of the unfinished surface of the floor extended to an intersection with the perimetrical boundary as a lower boundary. For those Units which have cathedral or other types of irregular ceilings, the space above the horizontal plane and below the underside of the unfinished surface of the vaulted ceiling is part of the Unit.

(b) Perimetrical Boundary.

The perimetrical boundary of each Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(i) Exterior Building Walls:

The intersecting vertical planes adjacent to and which include the unfinished surface of the interior of the outside walls of the Condominium Building bounding a Unit.

(ii) Interior Building Walls:

The vertical planes of the interior unfinished surface of the walls bounding a Unit (excluding interior partitions within Units) extended to intersections with other perimetrical boundaries.

(c) Exclusions.

The Unit Owner shall not be deemed to own any spaces or improvements lying beneath the unfinished inner surfaces of the perimeter walls and floors, and above the lowest horizontal plane of the uppermost structural elements of each Unit, nor any spaces or improvements lying beneath the undercoated and/or unfinished inner surface of all interior columns, bearing walls and/or bearing partitions, nor any pipes, ducts, vents, wires, conduits or other facilities, equipment and/or fixtures running through any interior wall or horizontal or vertical portion of a Unit, for the furnishing of utility services, heating and cooling and/or ventilation to Units, Common Elements and/or Limited Common Elements.

(d) Apertures.

All glass and other transparent and/or translucent material, insect screens and screening in windows and doors, the material covering other openings in the exterior or interior walls of Units, where applicable, shall be construed to be within the boundaries or limits and part of the Unit exclusively served by such windows, doors and other openings.

(e) Mechanical Equipment.

All air conditioning compressors, water heaters, heat pumps and other mechanical equipment serving only one Unit shall be deemed to be a part of the Unit.

### 3.6 Common Elements.

The term "Common Elements", as used herein, shall mean and comprise all of the real property and improvements of the

Condominium except Units including, without limitation: (a) easements through Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to Units and Common Elements; and (b) easements of support in every portion of a Unit which contribute to the support of other Units and/or Common Elements; and (c) installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing the installation; provided that the ownership is not elsewhere reserved by the Developer or its designee and (d) the property and installations in connection therewith required for the furnishing of services to more than one Unit or to the Common Elements; and (e) fixtures owned or held for the common use, benefit and enjoyment of all owners of Units in the Condominium; (f) uncovered parking spaces; (g) easements for ingress and egress serving the Condominium property; (h) all open areas contained within the Land; (i) all roadways, sidewalks, paths, fences and entrance areas located on the Land and (j) all signs for Unit numbers, condominium name, building numbers; and (k) all other improvements owned or held for common use, benefit and enjoyment of all Unit Owners.

In addition it is hereby specifically acknowledged that the entrance lights affixed in front of each Unit are a part of the Common Elements of the Condominium. The entrance lights are installed with photosensitive cells which turn on the lights at dusk. These lights provide a part of the illumination for the Condominium Property and utilize electrical service from each Unit. Notwithstanding that use of metered electricity from the Unit, no Unit Owner or occupant of the Unit shall interfere with the operation of the light in its intended manner. The Developer has reserved the right to construct a 20 foot by 40 foot swimming pool with a deck and restroom facility at the time of construction of Phase V and to construct "tot lots" at the time of construction of Subsequent Phases. When constructed, such recreational facilities shall also constitute a Common Elements of the Condominium.

### 3.7 Limited Common Elements.

"Limited Common Elements," as the term is used herein, shall mean and comprise the Common Elements which are reserved herein, or assigned, or granted separately herefrom, for the use of a certain Unit or Units to the exclusion of other Units, consisting of the following:

(a) To each Unit a patio or balcony area as depicted on Exhibit D.

(b) Each Unit Owner of a Unit in the Condominium has the right of exclusive use of the air space and ground space occupied by the air conditioning compressor, heat pump, air handler and equipment and fixtures appurtenant thereto, serving that Unit.

(c) Anything to the contrary in this Declaration notwithstanding, in the event a Unit Owner mortgages his Unit together with his Limited Common Elements (whether or not fully assignable apart from the Unit), such Limited Common Elements shall not be assignable apart from the Unit unless they are released from the lien of the mortgage.

### 4. APPURTENANCES TO UNITS.

There shall be appurtenant, and pass with title, to each Unit, the rights, shares, and interests provided by the Condominium Act which shall be deemed to include, without limitation, the following:

#### 4.1 Use of Common Elements.

(a) An undivided share in the Common Elements and in the Common Surplus and an obligation to pay a pro rata share of the Common Expenses. The undivided share in the Common Elements, Common Expenses and the Common Surplus of the Condominium appurtenant to each Unit is that proportion of the total set forth, as a fraction, in the schedule which is annexed hereto and made a part hereof as Exhibit "B" which fractional share may be adjusted in accordance with the provisions therein; and

(b) The right to use exclusively, or in common with certain other Units where so specified, those portions of the Common Elements designated and/or reserved herein and/or granted elsewhere to a certain Unit or Units as Limited Common Elements; and

(c) The appurtenant share in the Common Elements and Common Surplus and the exclusive right to use all the Limited Common Elements appurtenant to a Unit, cannot be conveyed or encumbered except together with the Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided and no action for partition of the Common Elements, the Condominium Property or any part thereof, shall lie, except as provided herein with respect to termination of the Condominium.

#### 4.2 Easements.

(a) An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time (as shown on Exhibit "D" hereto) and as it may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is permanently vacated from time to time; and

(b) Non-exclusive easements, to be used and enjoyed in common with all Unit Owners the owners of all Units in the Condominium, their guests, invitees, and lessees, for use of those Common Elements not designated elsewhere herein as Limited Common Elements, including, without limitation, easements for:

(i) The furnishing and maintenance of private or public utility services to all parts of the real property of the Condominium over, across, in and through the Land, the Condominium Building and other improvements, as the fixtures and equipment therefor now exist and/or may be modified or relocated; and

(ii) Vehicular and pedestrian access over, across, upon, in and through the drives, sidewalks, entries, gates, walks, grounds, and other portions, if any, of the Common Elements as are intended and/or provided for pedestrian and vehicular traffic through the Condominium and for access to the common roadways.

(c) An exclusive easement for the encroachment by any Unit upon any other Unit or Common Element, or vice versa, for any reason not caused by or resulting from the willful act of Developer or any Unit Owner or Owners, including without limitation, encroachments caused by or resulting from the original construction of improvements, which exclusive easement shall exist at all times during the continuance of such encroachment, as an easement appurtenant to the encroaching Unit or other improvement, to the extent of such encroachment; and

(d) An exclusive easement for the use of the area of Land and air space occupied by the appurtenant mechanical equipment, e.g. air conditioning compressor, heat pump, air handler and the equipment and fixtures appurtenant thereto, situated in and/or on Common Elements of the Condominium but

exclusively serving a particular Unit, as the same exist in and on the Land, which exclusive easement shall be terminated automatically in any air space which is permanently vacated by such air conditioning compressor, heat pump, air handler and the equipment and fixtures appurtenant thereto, provided, that the removal of the same for repair and/or replacement shall not be construed to be a permanent vacation of the air space which it occupies.

#### 4.3 Membership.

The right to membership in the Association with full voting rights appertaining thereto upon the terms and is conditions set forth elsewhere herein.

#### 4.4 Ingress and Egress.

Each Unit Owner and his guests, invitees, lessees and domestic help, and all delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by the Developer or Grantor of the easement referenced therein ("Grantor") to serve the Condominium, holders of mortgage liens on the Condominium or any Unit and such other persons as the Developer may from time to time designate, shall have the non-exclusive and perpetual right of ingress and egress over and across the real property constituting common roads within the Condominium Property as described in Exhibits A and C attached hereto and made a part hereof.

### 5. THE ASSOCIATION.

#### 5.1 Name of Association.

The entity responsible for the operation of the Condominium shall be DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (the "Association"), of which a copy of the Articles of Incorporation is attached hereto and made a part hereof as Exhibit "E." Subject to the rights reserved to Developer herein, and in the Condominium Act to administer and manage the Condominium Property, the Association shall administer and manage the Condominium Property; provided, that the Association may, to the extent permitted by the Condominium Act, by contract, delegate its maintenance, management and operational duties and obligations.

#### 5.2 Bylaws of Association.

A copy of the Bylaws of the Association is attached hereto and made a part hereof as Exhibit "F".

#### 5.3 Voting Rights of Unit Owners.

The Unit Owner(s) shall become a member or members of the Association automatically upon and simultaneously with delivery of a deed of conveyance of fee title thereto from Developer or, in a conveyance by a grantee or a remote grantee of Developer, a deed which has been approved by the Association and otherwise complies with the terms and conditions of this Declaration, the Articles of Incorporation and Bylaws of the Association. There shall be appurtenant and pass with title to each Unit, one Voting Interest as a member of the Association, which may be exercised by the Unit Owner(s), or the duly constituted proxy of the Unit Owner(s), from time to time, at all meetings of members and in connection with all matters upon which all members of the Association are entitled to vote. The qualification of members of and manner of admission to membership in the Association, the termination of such membership and voting

by members shall be as provided for in the Articles of Incorporation and Bylaws of the Association. Upon the submission of a Subsequent Phase to this Condominium, the voting rights will automatically change as described in Article 20.

#### 6. AMENDMENT OF DECLARATION.

Except for amendments which Developer is authorized and/or obligated elsewhere herein to make and except as may be elsewhere herein or in the Condominium Act otherwise specifically provided, this Declaration may be amended only in the following manner.

##### 6.1 Notice.

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

##### 6.2 Proposal.

Amendments to this Declaration may be proposed by the Board of the Association by resolution adopted by a majority vote of the Directors present at any regular or special meeting of the Board at which a quorum is present or, in the alternative, by a written instrument signed by a majority of the Board, or by the owners of one-tenth (1/10) of the Voting Interests, whether by vote of such owners as members of the Association at a special or regular meeting of the members or by written instrument signed by them.

##### 6.3 Adoption.

Any amendment to this Declaration so proposed by the Board or members of the Association shall be transmitted to the President of the Association, or, in the absence of the President, to a Vice President or other acting chief executive officer, who shall thereupon call a special meeting of the Unit Owners in this Condominium to consider and vote upon such proposed amendment; provided, that a proposed amendment may be considered and voted upon at an annual meeting of the members of the Association if the next such meeting is to be held within the time hereafter limited and if notice of the proposed amendment shall be included in the notice of such meeting. The special or annual meeting, as the case may be, of the members shall be held not sooner than fourteen (14) days nor later than sixty (60) days from the date of receipt by the Association of the proposed amendment. Notice of the meeting shall be in the form and shall be delivered and the meeting shall be called and held as provided for in the Bylaws of the Association; provided, that any member may, in writing signed by such member, waive notice of any such meeting in the manner provided for in the Bylaws of the Association and such waiver, when delivered to the Secretary of the Association for filing in its records, whether before, during or after such meeting shall be construed to be the equivalent of giving notice to such member.

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

. for present text." Non-material errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment. For twenty years from the date of recording of this Declaration, the proposed amendment may be adopted, and shall become effective, by and upon the affirmative vote at such meeting of not less than ninety percent (90%) of the Voting Interests. Thereafter, the requisite percentage of Voting Interests for approval shall be not less than seventy-five percent (75%).

#### 6.4 Proviso.

Except as elsewhere permitted herein, no amendment shall:

(a) Change any "Condominium Parcel" (as defined in the Condominium Act) unless the record owner thereof and Mortgagees thereon shall join in the execution and acknowledgment of the amendment, or

(b) Discriminate against any Unit Owner or against any Unit or any class or group of Units comprising part of the Condominium Property, unless the record owners of all affected Units and Mortgagees thereon shall join in the execution and acknowledgment of the amendment, or

(c) Change the share of Common Elements appurtenant to any Unit or Units or the share of any Unit Owner in the Common Surplus, or increase the share of any Unit Owner(s) in the Common Expenses, except as provided upon the annexation of a Subsequent Phase, if any, unless the record owners of Units so affected and the Mortgagees thereon shall join in the execution and acknowledgment of such amendment, or

(d) Make any change in Article 10 hereof, entitled "Insurance," nor in Article 11 hereof, entitled "Reconstruction or Repair After Casualty," unless the Mortgagees on Units shall join in the execution and acknowledgment of the amendment, or

(e) Adversely affect the lien or priority of any previously recorded Mortgage to a Mortgagee; or

(f) Change the rights and privileges of the Developer without the Developer's written approval.

(g) So long as the Developer has title to any Condominium Unit, no amendment to this Declaration shall be made to this Declaration or any exhibits thereto unless the Developer shall consent in writing to the amendment, which consent may be withheld by the Developer for any reason.

(h) Change the use of any Unit or Common Element to commercial use without Developer's written consent.

(i) Merge the Condominium with another condominium regime without prior written approval of Mortgagees. &t+1;2 (j) The right of the Developer to amend this Declaration of Condominium as elsewhere provided herein shall not be abridged in any manner by this Article or any other article of this Declaration or exhibits thereto.

#### 6.5 Effective Date and Recording Evidence of Amendment.

An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed in the form required for the execution of a deed. Amendments

effected by the Developer must be evidenced in writing and recorded, but a certificate of the Association is not required. An amendment of the Declaration is effective when it is recorded in the public records of the County.

#### 6.6 Amendments by Developer.

Notwithstanding any provision to the contrary set forth in this Article or elsewhere in this Declaration or in the Articles of Incorporation or Bylaws of the Association, the Developer may amend this Declaration to add any surveyor's certificate(s), to submit Subsequent Phases to this Declaration [as more fully described in Article 20], to amend the documents as required by an Institutional Mortgagee, or in accordance with § 13.4 without the consent or joinder of any Unit Owner or Mortgagee, provided however, that any Mortgagee holding an interest in any land which constitutes a Subsequent Phase shall execute the amendment to add a phase. In no event may the Developer amend the Declaration to adversely effect the rights of Unit Owners granted pursuant to Section 718.403 (Phasing the Condominium) without the approval of the required percentage of Voting Interests.

#### 6.7 Amendment to Correct Omission or Error In Condominium Documents.

The Association, by the affirmative vote of not less than 51% of the Voting Interests, may amend the Declaration for the purpose of correcting a defect, error or omission in this Declaration so long as such amendment does not materially or adversely affect the rights of owners, lienors or mortgagees.

### 7. MAINTENANCE, REPAIRS AND REPLACEMENTS.

Responsibility for maintenance, repairs and replacements of Condominium Property and property of Unit Owners located or situated within the Condominium shall be as follows:

#### 7.1 Units.

Each Unit, and the personal property therein, fixtures, equipment and appliances comprising a part thereof, located therein, or exclusively serving the same shall be maintained, kept in good repair and replaced by and at the expense of the Owner(s) thereof. All maintenance, repairs and/or replacements for which Unit Owners are responsible and obligated to perform, whether structural or nonstructural, ordinary or extraordinary, shall be performed promptly as the need arises. Notwithstanding the obligation of Unit Owners for maintenance, repair and replacement of and in Units, the proceeds of all insurance awards or payments under insurance carried by the Association for loss or damage to or within such Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance.

#### 7.2 Common Elements.

The Association shall be responsible for, and shall assess against and collect from all Unit Owners, the costs of maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Elements except certain of the Limited Common Elements specified below. It is specifically acknowledged that neither the Association nor the Developer, for so long as the Developer is in control of the Association, can guaranty the survival of any grass or plant material installed on the Common Elements. Accordingly, in the event that any grass or plant material shall fail to thrive the Association and/or the Developer shall be entitled to use its discretion in the selection

of replacement grass or plant material. The Association shall, at the expense of all Unit Owners, repair any and all incidental damage to Units resulting from maintenance, repairs and/or replacements of or to Common Elements.

### 7.3 Limited Common Elements.

The responsibility for, and the cost of keeping clean and in orderly condition the Limited Common Elements described in §3.7 which exclusively serve a certain Unit to the exclusion of other Units, shall be borne by the Unit Owner(s) to which the same are appurtenant. The repair and on-going maintenance of Limited Common Elements shall be done by the Association, but paid for by the Unit Owner of the Unit to which it is appurtenant.

Notwithstanding the Unit Owners' obligations with respect to certain Limited Common Elements, any proceeds of insurance awards or payments under insurance carried by the Association for loss or damage to such Limited Common Elements shall be applied against such repair or replacement to the extent that such award or payments exceed the deductible limits of such insurance.

### 7.4 Management.

The Board may enter into a contract with any firm, person, or corporation or may join with any other condominium associations and entities in contracting for the maintenance and repair or management of the Condominium Property. The Board may contract for and may delegate to the contractor or manager all the powers and duties of the Association, except such as are specifically required by this Declaration or by the Bylaws, to have the approval of the Board of Directors or the membership of the Association. The contractor or manager may be authorized to determine the budget, make assessments for common expenses and collect assessments as provided by this Declaration, Bylaws and exhibits to this Declaration.

### 7.5 Entry for Maintenance.

The Board, or the agents or employees of any management firm or the Association, shall be allowed entry into any Unit or Limited Common Elements for the purpose of maintenance, inspection, repair, replacement of the improvements within the Units, Limited Common Elements, or the Common Elements or in case of emergency circumstances threatening Units, Limited Common Elements or the Common Elements, or to determine compliance with the provisions of this Declaration and the Bylaws of the Association. The liability for any damage done by the Board, agents or employees of any management firm or Association shall be assessed against the Unit Owner of the Unit being repaired, maintained or inspected unless such damage is created by the gross negligence or wilful misconduct of the Board, agents or employees of any management firm or Association. Entry for the above described purposes shall not be deemed a trespass.

### 7.6 Failure to Maintain.

In the event a Unit Owner fails to maintain his Unit and Limited Common Elements, as required herein, or makes any alterations or additions without the required consent, or otherwise violates or threatens to violate the provisions of this Declaration relevant to maintenance, alteration and repair, the Association shall have the right to levy an assessment against the Unit Owner and the Unit, for such necessary sums to perform the required maintenance to remove any unauthorized addition or alteration and to restore the Unit or Common Limited Common Element to good condition and repair. The Association shall have

the further right to have its employees or agents or any subcontractors appointed by them enter a Unit at all reasonable times to do such work as is deemed necessary by the Board of the Association to enforce compliance with the provisions hereof.

8. ALTERATIONS OF AND IMPROVEMENTS TO UNITS AND COMMON ELEMENTS.

Except as the right is herein reserved to Developer in Article 20, neither a Unit Owner nor the Association shall make any alterations, improvements or additions to Units, Common Elements, or Limited Common Elements except in compliance with the following conditions.

No Unit Owner shall make any addition, alteration or improvements in or to the Common Elements nor to his Unit or any Limited Common Element ("Proposed Improvement") without the prior written consent of the Board. The Board shall have the obligation to answer any written request by a Unit Owner for approval of such Proposed Improvement in such Unit Owner's Unit or Limited Common Element within 60 days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent.

The proposed additions, alterations, and improvements by the Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Developer, 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, subject to the Board's right to perform appropriate maintenance upon the failure of the Unit Owner to do so as provided in Section 7.6.

9. MANAGEMENT AGREEMENT.

9.1 Management Firm.

The Association, through its Board of Directors, may enter into a management agreement with a professional management firm ("Management Firm").

The Association may delegate to the Management Firm certain powers of the Association, not reserved to the Board of Directors under the provisions of the Condominium Act.

9.2 Duties of Management Firm.

Each Unit Owner, his heirs, successors, and assigns, shall be bound by the Management Agreement for the purposes therein expressed, including but not limited to:

(a) Adopting, ratifying, confirming, and consenting to the execution of the Management Agreement by the Association.

(b) Covenanting and promising to perform each and every of the covenants, promises, and undertakings to be performed by Unit Owners as provided in the Management Agreement.

(c) Ratifying, confirming, and approving each and every provision of the Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable.

(d) Agreeing that the persons acting as directors and officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.

### 9.3 Interested Directors.

It is specifically recognized that some or all of the persons comprising the original Board may be stockholders, officers and Directors of the Management Firm, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Management Agreement, in whole or in part.

## 10. INSURANCE.

Insurance shall be carried and kept in force at all times in accordance with the following provisions:

### 10.1 Duty and Authority to Obtain.

The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be purchased for the benefit of the Association and the Unit Owners and their Mortgagees, and all policies of such insurance shall be deposited with and held by the "Insurance Trustee" (as herein identified); provided that a certificate evidencing a mortgagee endorsement shall be issued to the Mortgagee of each Unit. The Unit Owners may, at their own expense, obtain insurance coverage against damage to and loss of the contents of the Unit, including, without limitation, carpeting, wall and ceiling coverings, personal liability for injury to and death of persons and damage to and loss of personal property of others, and against additional living expenses. Provided, however, that each policy of such insurance purchased by a Unit Owner shall, where such provision is available, state that the insurer waives its right of subrogation as to any claim or claims against other Unit Owners, the Association, and their respective employees, agents, guests and invitees.

### 10.2 Required Coverage.

The Association shall purchase and carry casualty insurance covering all of the Buildings and other improvements, including personal property of the Condominium. All hazard policies issued to protect Buildings whenever used in the policy shall include, but shall not necessarily be limited to fixtures, installations, or additions comprising that part of the Building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed or replacements thereof of like, kind or quality in accordance with the original plans and specifications, or as existed at the time the Unit was initially conveyed if the original plans and specifications are not available, excluding therefrom the insuring of floor, wall and ceiling coverings (which may be jointly referred to as "Insured Property") in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the Board of Directors of the Association in accordance with reasonably acceptable appraisal practice. Such insurance shall include or afford protection against:

(a) Loss or damage by fire or other hazards covered by the standard extended coverage and broad form and/or special form; and

(b) Such other risks or perils of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings and other improvements similar, in construction, location and use, to the building and other improvements of the Condominium, including without limitation, vandalism, malicious mischief, windstorm, and flood and perils covered by the standard "all risk" endorsement, if available.

(c) Comprehensive general liability insurance in the amount of \$500,000 for bodily injury including deaths of persons and property damage arising out of a single occurrence and an umbrella policy of \$1,000,000 for both, insuring the Association, the Board of Directors, the Management Firm, at the discretion of the Board of Directors, and each Unit Owner for claims arising out of or in connection with the ownership, operation or maintenance of any of the Condominium Property including Common Elements and public ways of the Condominium. This coverage shall exclude Unit Owner liability coverage for claims arising in connection with that portion of the property used and occupied exclusively by a particular Unit Owner. Such comprehensive general liability insurance shall also cover cross liability claims of one insured against the other. Coverage under this policy shall include without limitation legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation and maintenance of the Common Elements and legal liability arising out of law suits related to contracts entered into by the Association. The Board of Directors shall review such limits once a year.

(d) Workmen's compensation insurance to meet the requirements of law.

(e) Loss or damage by flood, to the extent and limitations, if any, required or necessitated by law, including, without limitation, the Flood Disaster Protection Act of 1973, or any similar law or regulation.

(f) Director and officer liability coverage, and to the extent the duties and obligations of the Board are delegated for such delegees. Such bonds shall comply with the requirements of Mortgagees.

(g) The following endorsements to the policy shall be obtained if available:

(i) Agreed amount and Inflation Guard Endorsement.

(ii) Construction code endorsements, if a construction code provision requires changes to undamaged portions of the building when only part of the project is destroyed by an insured hazard.

### 10.3 Optional Coverage.

The Association may purchase and carry other insurance coverage or obtain other endorsements including without limitation, products liability, agreed amount and inflation guard endorsements, construction code endorsements and steam boiler coverage as the Board, in its sole discretion, may determine from time to time to be in the best interests of the Association and Unit Owners, or as an Mortgagee may reasonably require while it holds a mortgage encumbering any Unit. Any waiver of subrogation contained in policies shall include waivers as to the Management Firm.

#### 10.4 Premiums.

Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. The cost of insurance premiums, and other incidental expenses incurred by the Association in administering and carrying out the provisions of this Article, shall be assessed against and collected from Unit Owners as a Common Expense.

#### 10.5 Additional Provisions.

Any policy obtained by the Association must provide for the following, if available:

(a) Recognition of any Insurance Trust Agreements.

(b) Waiver of the right of subrogation against Unit Owners individually.

(c) The policy not being prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively.

(d) The policy being primary in the event that the Unit Owner has other insurance covering the same loss.

(e) The policy not being cancelled or substantially modified without at least 60 days prior written notice to the Association and mortgagee which is listed as a scheduled holder of a first mortgage in the insurance policy.

#### 10.6 Assured.

All policies of insurance obtained and purchased by the Association shall be for the benefit of the Association, the Unit Owners and their Mortgagees, as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the "Insurance Trustee," as herein identified, or to its successor, and the proceeds from insurance against any casualty loss shall be held for the use of the Association, Unit Owners and their respective Mortgagees, as their interests may appear, to be applied or distributed in the manner herein provided. Policies shall contain the standard Mortgage Clause or equivalent endorsement without contribution. The Association is hereby constituted and appointed agent for all Unit Owners and mortgagees, with authority to negotiate and settle the value and extent of any and all losses covered under any policy of casualty insurance, and the Association is granted full right and authority to execute, in favor of any insurer, a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

#### 10.7 Insurer.

All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association, including without limitation Unit Owner(s) and Mortgagees shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

#### 10.8 Insurance Trustee.

The Association shall have the right but no obligation to designate the Insurance Trustee and all persons beneficially interested in such insurance coverage shall be bound by the Association's selection of the Insurance Trustee. If the

Association fails or elects not to appoint such Insurance Trustee, the Association will perform all obligations imposed upon such Trustee by this Declaration. The Insurance Trustee shall be either a bank with trust powers, doing business in the State of Florida, the Board or an attorney who is a member of the Florida Bar. The Insurance Trustee, if a bank or attorney, shall not be liable for the payment of premiums, the renewal of any policy or policies of casualty insurance, the sufficiency of coverage, the form or content of policies, nor for the failure to collect any insurance proceeds. The duties of the Insurance Trustee, if a bank or attorney, shall be to hold such insurance policies as may be placed with it pursuant to Section 10.1 and to receive such proceeds of casualty insurance as are paid and to hold the same in trust for the purposes herein stated, and for the benefit of the Association, Unit Owners and their respective Mortgagees, to be disbursed as herein provided. The Association shall pay a reasonable fee to the Insurance Trustee, if a bank or attorney, for services rendered hereunder and shall pay such costs and expenses as the Insurance Trustee may incur in the performance of its duties hereunder. Such fees and costs to be assessed against and collected from Unit Owners as a Common Expense. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then only for such money as may come into the possession of the Insurance Trustee. If and when the Insurance Trustee is required to distribute insurance proceeds to Unit Owners and their Mortgagees, as their respective interests may appear, the Insurance Trustee, if a bank or attorney, may rely upon a certificate of the President and Secretary of the Association, executed under oath and provided to the Insurance Trustee upon request to the Association, such certificate to certify the name or names of the each Unit Owner(s), the Mortgagee(s) thereof, and the respective percentages of any distribution which is to be made to the Unit Owner(s) and Mortgagee(s), as their respective interests may appear. If and when insurance proceeds are paid to the Insurance Trustee for any casualty loss, the institutional Mortgagee(s) shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of indebtedness secured by such Mortgagee(s), unless the insurance proceeds represent a distribution to the Unit Owners and the Mortgagee(s) thereof, after such insurance proceeds have been first applied to repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the Unit Owner(s), and the Mortgagee(s) thereof by reason of loss of or damage to personal property constituting a part of the Common Elements and as to which a determination is made not to repair, replace or restore such personal property.

#### 10.9 Application of Insurance Proceeds.

The proceeds of casualty insurance paid to the Insurance Trustee by an insurer for loss or damage to real and/or personal property upon which the Association carries insurance, shall be applied and paid as follows:

(a) Common Elements Only.

The proceeds paid to the Insurance Trustee for loss of or damage to real property constituting Common Elements only shall be applied to the repair, replacement or reconstruction of such loss or damage. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements, the excess shall be paid by the Insurance Trustee to the Association and such funds shall become part of the Common Surplus of the Association. If the insurance proceeds shall be insufficient to pay the cost of the repair, replacement or reconstruction of such

Common Elements, the Association shall deposit with the Insurance Trustee, from any Association Reserve Fund which may have been established, the difference between the total cost of repairing, replacing or reconstructing such loss or damage and the amount of the insurance proceeds. If no such Association Reserve Fund has been established, or if any such Association Reserve Fund has been established and is insufficient to pay to the Insurance Trustee such difference, the Association shall assess the amount of the difference against, and collect it from, all Unit Owners, as a Common Expense.

(b) Units.

The proceeds paid to the Insurance Trustee for loss of or damage to any portion of the Condominium Building, constituting damage to Common Elements and one or more Units thereof, shall be first applied to the repair, replacement or reconstruction of Common Elements, then to the repair, replacement or reconstruction of any Unit or Units in the Building which have been destroyed or damaged. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements and Units, the excess shall be paid by the Insurance Trustee to the Association and such funds shall become part of the Common Surplus of the Association. If the insurance proceeds shall be sufficient to pay for the repair, replacement or reconstruction of the Common Elements but shall be insufficient to pay the cost of the repair, replacement or reconstruction of the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from, the owner(s) of the Unit(s) damaged or destroyed, in proportion to that the amount of damage sustained to each such Unit bears to the total deficit, and deposit such sum with the Insurance Trustee to be applied by the Insurance Trustee toward the total cost of repairing, replacing or reconstructing all of such damaged or destroyed Common Elements and Units. If the insurance proceeds shall be insufficient to pay the cost of the repairs, replacements, or reconstruction of the Common Elements and the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from all Unit Owners, the total cost of repairing or replacing the Common Elements as a Common Expense. The cost of repairing, replacing or reconstructing the Unit or Units destroyed or damaged shall be assessed by the Association against, and collected from, the owner(s) of such damaged or destroyed Units in proportion that the amount of damage sustained to each Unit bears to the total deficit.

(c) Proceeds of Optional Property Coverage.

If any, proceeds from any damage occasioned solely to Units and/or certain portions or all of the contents thereof not included in Insured Property, as determined by the Association in its sole discretion, (collectively "Optional Property"), are collected by reason of optional insurance which the Association elects to carry thereon, such proceeds shall be held for the benefit of the Unit Owners or Owners other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.

10.10 Deposits to Insurance Trustee After Damage.

Within sixty (60) days after a loss of or damage to Condominium Property covered by casualty insurance, the Association shall obtain estimates of the cost of repairing, replacing or restoring the same, including the cost of professional fees and any construction bond which the Board of

Directors may require. If, from such estimates, it shall appear that the insurance proceeds payable for such loss or damage will be insufficient to pay the total costs thereof, the additional money required to pay the total cost thereof, whether it is to be paid by one or more Unit owners, shall be deposited with the Insurance Trustee not later than thirty (30) days from (i) the day on which the Insurance Trustee receives the insurance proceeds or (ii) the date of receipt of cost estimates for repair or replacement, whichever last occurs.

11. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

Whether, and the manner in which, any or all of the Condominium Property which shall be damaged or destroyed by casualty shall be repaired, reconstructed or replaced shall be determined as follows:

11.1 Insured Property.

If the Insured Property shall be damaged or destroyed, repair or reconstruction thereof, or termination of the Condominium, shall be in accordance with the following:

(a) Total Destruction of the Insured Property.

If seventy-five (75%) or more of the Insured Property is destroyed or so damaged that at least seventy-five percent (75%) of the Units therein are not habitable, the Units and none of the Improvements comprising Common Elements thereof shall be reconstructed, and the Condominium shall be terminated unless the Unit Owners to which seventy-five (75%) percent of the Common Elements are appurtenant agree in writing, within 60 days after the date of such destruction, to reconstruct the same and/or unless any policy or policies of casualty insurance covering the same shall require reconstruction thereunder, and in either case as long as the then applicable zoning and other regulatory laws and ordinances shall allow the same to be reconstructed.

(b) Partial Damage to the Insured Property.

If less than seventy-five percent (75%) of the Insured Property is damaged, the damaged or destroyed Common Elements and/or Units shall be repaired or reconstructed so that the Units and Common Elements shall be restored to substantially the same condition as existed prior to such damage or destruction, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere herein provided that the Condominium shall be terminated.

(c) Responsibility for Damage to Units Only.

If the damage or destruction shall be limited only to one or more Units for which the responsibility of maintenance and repair is that of the affected Unit Owners, then such Unit Owners shall be responsible for carrying out the repair or reconstruction thereof. In all other instances of damage or destruction, the Association shall be responsible for carrying out the repair and reconstruction thereof.

11.2 Certificate.

The Insurance Trustee may rely upon a certificate executed by the President and Secretary of the Association to determine whether or not damaged or destroyed Condominium Property shall be repaired or reconstructed.

11.3 Plans and Specifications.

Repair or reconstruction of Condominium Property shall be substantially in accordance with the plans and specifications pursuant to which the same was originally constructed, provided that the Board may authorize reasonable variations from the original plans and specifications as may appear to them to be necessary or desirable, subject to the rights of the Association to approve certain architectural proposals.

#### 11.4 Construction Funds.

All funds for the payment of repair and reconstruction costs, consisting of insurance proceeds and/or funds collected by the Association from Unit Owners (jointly referred to herein as "Reconstruction Funds"), shall be disbursed toward payment of such costs in the following manner:

(a) Association.

If the total of the Reconstruction Funds is more than \$100,000.00, then all the Reconstruction Funds shall be deposited with and disbursed by the Insurance Trustee. In all other cases the Association shall hold the Reconstruction Funds and shall disburse the same in payment of the costs of reconstruction and repair upon receipt of proper invoices. Provided, however, upon request of a Mortgagee, the Reconstruction Funds, even if less than \$100,000 shall be disbursed by the Insurance Trustee.

(b) Insurance Trustee.

If the Reconstruction Funds shall be deposited with the Insurance Trustee, the Insurance Trustee shall disburse the Reconstruction Funds in the manner required by the Board and upon receipt of a proper invoice and approval of an architect registered to practice in Florida and employed by the Association to supervise the work.

(c) Surplus.

It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in the Reconstruction Fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Association and shall constitute a part of the Common Surplus.

(d) Certificate.

Notwithstanding the provisions herein, the Insurance Trustee, if a bank or attorney, shall not be required to determine whether or not the Reconstruction Funds shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the Reconstruction Fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the Reconstruction Fund nor to determine whether surplus funds to be distributed are less than the assessments paid by Unit Owners. Instead, the Insurance Trustee 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 name of the payee and the amount to be paid; provided that when a Mortgagee is herein required to be named as payee the Insurance Trustee shall also name the Mortgagee as payee; and further provided that when the Association or a Mortgagee, which is the beneficiary of an insurance policy the proceeds of which are included in the Reconstruction Funds, so requires, the approval of an architect named by the Association shall be first obtained by the Association.

## 12. USE RESTRICTIONS.

In order to provide for congenial occupancy of the Condominium Property and for the protection of the value of the Units, the use of the Condominium Property shall be in accordance with the following provisions so long as the Condominium exists:

### 12.1 Units.

Each Unit shall be used for a single household and for residential non-commercial purposes only. Nothing herein shall be construed to prohibit leasing of the Units, provided that such leases are in compliance with paragraph 12.9 hereof.

### 12.2 Insurance.

No use shall be made of any Unit or of the Common Elements or Limited Common Elements which will increase the rate of insurance upon the Condominium Property without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in cancellation of insurance on any Unit or any part of the Common Elements, or which will be in violation of any law. No waste shall be committed in the Common Elements.

### 12.3 Signs.

No sign of any kind shall be displayed to public view on or from any Unit or the Common Elements without the prior written consent of the Board.

### 12.4 Pets.

Unit Owners are permitted to have not more than one dog (not to exceed 30 pounds) one cat, fish and a reasonable number of small animals, so long as all are bonafide household pets and not kept for commercial purposes; do not make objectionable noises or otherwise constitute a nuisance or inconvenience to any occupants and are kept in compliance with all applicable advances. Pets shall be leashed and restrained at all times when on or about the Condominium Property. Owners shall remove and dispose of all animal waste from the Common Elements. No guest, lessee, or invitee shall bring any animal upon the Condominium Property. Unit Owners maintaining pets on the Condominium Property, or whose guests, lessees, or invitees bring any animal upon the Condominium Property in contravention of these restrictions, shall be responsible for, and bear the expense of, any damage to person or property resulting therefrom. Any such damage shall be determined by the Board and collection by the Association.

### 12.5 Encroachments.

None of the rights and obligations of the Unit Owners created herein or by the deed conveying the Condominium shall be altered in any way by encroachment due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of any such encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor a Unit Owner(s), if encroachment occurred due to the willful conduct of the Unit Owner(s).

### 12.6 Common Elements.

The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units. There shall be no obstruction or alteration of, nor shall

anything be stored, altered or constructed in, or removed from, the Common Elements or Limited Common Elements without the prior written consent of the Association.

#### 12.7 Nuisances.

No noxious or offensive activity shall be allowed upon the Condominium Property, nor any use or practice which is the source of annoyance or nuisance to Unit Owners or guests or which interferes with the peaceful possession and proper use of the Condominium Property by residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist.

#### 12.8 Lawful Use.

No immoral, improper, offensive 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 thereof shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the Condominium Property shall be the same as is elsewhere herein specified.

#### 12.9 Leasing.

All leases of the Units must be for a minimum of six (6) months and must provide that the lessee shall be bound by the provisions of this Declaration, and any noncompliance by such lessee shall be the responsibility of the Unit Owner.

#### 12.10 Exterior Improvements; Landscaping.

No Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Building (including, but not limited to, awnings, signs, storm shutters, screens, furniture, fixtures and equipment), nor to plant or grow any type of shrubbery, flower, tree, vine, grass or other plant life outside his Unit except on the Limited Common Element for the respective Unit, nor place any permanent decoration within the landscaping, without the prior written consent of the Association, subject always to the provisions hereof. In addition, all window coverings, including without limitation, drapes, curtains, shades or blinds, shall be lined or otherwise appear from the exterior to be off-white, white, light gray or beige.

#### 12.11 Regulations.

Reasonable regulations and rules concerning the use of the Condominium Property may be promulgated, modified or amended from time to time by the Board.

#### 12.12 Enforcement.

The Association shall have the right to enforce all the restrictions set forth in this Article and the Declaration in any manner it deems necessary including without limitation, injunctions, suit for damages, or fines.

#### 13. RESERVED RIGHTS OF DEVELOPER.

In addition to various rights reserved by the Developer elsewhere provided in this Declaration, the Developer reserves the following rights:

### 13.1 Developer's Use of Units.

Until Developer has completed and conveyed all of the Units, neither Unit Owners nor the Association shall interfere with the completion of the proposed improvements and the sale of the Units. Developer may make such use of the unsold Units and Common Elements as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, model units, the showing of the Unit and the display of signs.

### 13.2 Easement Rights of Developer.

#### (a) Roads.

Developer hereby reserves for itself and its designees, an easement over the Condominium Property as it may deem necessary for preserving, maintaining or improving the common roadways.

#### (b) Developer's Easement to Correct Drainage

For a period of five years from the date of conveyance of the first Unit, the Developer reserves for itself and its designees an easement and right on, over and under the ground within the Condominium Property to maintain and to correct drainage of surface water and other erosion controls in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Developer shall restore the affected Condominium Property to its original condition as nearly as practicable. The Developer shall give reasonable notice of intent to take such action to all affected owners, unless in the opinion of the Developer an emergency exists which precludes such notice. The rights granted hereunder may be exercised at the sole option of Developer and shall not be construed to obligate Developer to take any affirmative action in connection therewith.

#### (c) Construction Easement

Developer reserves for itself, its nominees, designees, successors and assignees, an easement over and across the Condominium Property as may be reasonably necessary in connection with the construction of improvements within the Condominium Property. Such easement shall include, but not be limited to, an easement for the use of necessary and usual equipment in connection with such construction activity, together with the usual and common noise level created by such construction activity.

#### (d) Cable Television

The developer hereby reserves the right to install or contract for the installation of cable television within the Condominium Property and to grant the necessary easements in connection therewith. Such service, when installed, shall be provided to Units on a non-discriminatory basis.

### 13.4 Right to Amend.

Without limiting the right of the Developer to amend as otherwise set forth herein, the Developer, so long as it owns Units to which more than twenty-five (25%) percent of the Common Elements are appurtenant, reserves the right at any time to amend the Declaration, as may be required by any Mortgagee or public body or title insurance company without further consent of the Unit Owners or other Mortgagees, provided, however, the Developer shall not amend those portions of the Declaration in compliance

with Section 5 718.403 of the Act without the required consent of Unit Owners.

#### 13.5 Rights of Developer to Sell or Lease Units.

So long as Developer, or any mortgagee succeeding Developer in title, shall own any Unit, it shall have the absolute right to lease or sell any such Unit to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests.

#### 13.6 Additional Easements Reserved.

The real property submitted to condominium ownership herewith is subject to conditions, limitations, restrictions, reservation, all matters of record, taxes, applicable zoning ordinances now existing or which may hereafter exist, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility service and drainage now existing or hereafter granted by the Developer for the benefit of such persons as the Developer designates. The Developer shall have the right to grant such easements over and upon the Condominium Property and designate the beneficiary thereof until five years after the recording of the Declaration or until such time as Developer transfers control of the Association to the Unit Owners, whichever shall first occur. Thereafter the Board of Directors shall be empowered to grant such easements on behalf of its Members. During the period of time that Developer has the right to grant the foregoing easements, the consent and approval of the Board of Directors shall not be required. The right to grant the foregoing easements shall be subject to the requirement that the easements not structurally weaken the Condominium building(s) and improvements upon the Condominium Property nor unreasonably interfere with the enjoyment of the Condominium Property by Unit Owners.

#### 14. COMPLIANCE AND DEFAULT.

Each Unit Owner shall be governed by and shall comply with the terms of the Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, and any and all regulations adopted pursuant thereto, as they may be amended from time to time. Failure of the Unit Owner to comply therewith shall entitle the Association or other Unit Owners to the following relief in addition to the remedies provided by the Condominium Act:

##### 14.1 Compliance.

A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, employees, agents, lessees or other invitees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances, or of the Common Elements.

##### 14.2 Remedies.

In the event a Unit Owner or occupant fails to maintain a Unit or the Limited Common Elements appurtenant to the Unit, or fails to cause such Unit or Limited Common Elements to be maintained, or fails to observe and perform all applicable provisions of the Declaration, the Bylaws, the Articles of Incorporation of the Association, applicable or any other agreement, document or instrument affecting the Condominium

Property or administered by the Association in the manner required, the Association shall have the right to proceed in court of equity to require performance and/or compliance, to sue in a court of law for damages, to assess the Unit Owner and the Unit for the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance and to collect such sums and have a lien therefor. 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.

In addition to or instead of the above the Association shall have the right to levy fines against Unit Owners for any violation of the Declaration and/or any rules or regulations established by the Association. No fine shall become a lien against a Unit; no fine shall exceed \$25.00 per occurrence nor shall any fine be levied except after giving reasonable notice and opportunity for a hearing to Unit Owner and if applicable his licensee or invitee in the manner as may be from time to time required by the Condominium Act or as may be provided in the rules and regulations made in accordance with the Act and in accordance with this Declaration. Any reference to a fine contained in this Declaration shall not be construed as a limitation; fines may be assessed for the violation of any provision herein.

#### 14.3 Costs and Attorney's Fees.

In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Declaration, the Articles of Incorporation and Bylaws of the Association, or any and all regulations applicable to such owner as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

#### 14.4 No Waiver of Rights.

The failure of the Association, or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and Bylaws of the Association, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

#### 15. ASSESSMENTS: LIABILITY AND DETERMINATION.

To provide the funds necessary for proper operation and management of the Condominium, the Association has been granted the right to make, levy and collect Assessments against all Unit Owners and Units. The following provisions shall govern the making, levying and collecting of such Assessments and the payment of the costs and expenses of operating and managing the Condominium by the Association.

#### 15.1 Liability for Assessments.

Assessments by the Association against each Unit Owner and his Unit shall be computed by dividing the total budget for the Condominium by each Unit's fractional percentage of the total assessments as is set forth in the Schedule annexed hereto and made a part hereof as Exhibit "3."

Should the Association become a Unit Owner, the Assessment which would otherwise be due and payable to the Association by the Unit Owner, reduced by an amount of income which may be derived from the leasing of such Unit(s) by the Association, shall be apportioned and the assessment therefor levied ratably among all Unit Owners which are not owned by the Association, based upon their proportionate interests in the Common Elements exclusive of the interests therein appurtenant to any Unit or Units owned by the Association.

The owner(s) of each Unit shall be personally liable, jointly and severally, as the case may be, to the Association for the payment of all Assessments, regular or special, interest on such delinquent assessments or installments thereof as above provided, and for all costs of collecting the Assessments and interest thereon, including a reasonable attorney's fee, whether suit be brought or not, levied or otherwise coming due while such person(s) or entity own(s) a Unit.

No Unit Owner may exempt himself from liability for any assessment levied against such Unit Owner and his Unit by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of the Unit, or in any other manner.

#### 15.2 Time for Payment.

The Assessment levied against the each Unit Owner and his Unit shall be payable monthly or such other installments as the Board may determine and unless changed by the Board, shall be payable on the first day of each month. The date of commencement of the Assessments against each Unit shall be established by the Board.

#### 15.3 Annual Budget.

The Board shall establish an Annual Budget in advance for each fiscal year which shall estimate all Common Expenses for the forthcoming fiscal year required for the proper operation, management and maintenance of the Condominium, including, when deemed necessary or advisable by the Board, a reasonable allowance for contingencies and reserves.

#### 15.4 Reserve Fund.

The Board, in establishing each Annual Budget, shall include therein a sum to be collected and maintained as a reserve fund for the capital expenditures, deferred maintenance for any item for which the deferred maintenance expense or replacement cost is greater than \$10,000. The amount to be reserved shall be determined by the Board of Directors or as may be required under the provisions of the Condominium Act and may be deleted by a vote of the statutory requisite percentage of Unit Owners. Provided however, if a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall be deemed adopted.

### **15.5 General Operating Reserve.**

The Board, when establishing each Annual Budget, may, when deemed necessary or desirable, include therein a sum to be collected and maintained as a general operating reserve to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of Assessments by Unit Owners, as a result of emergencies or for other reason placing financial stress upon the Association. The annual amount allocated to such operating reserve and collected therefor shall not exceed five percent (5%) of the current annual Assessment levied against all Unit Owners. Upon accrual in the operating reserve of an amount equal to but not exceeding twenty-five percent (25%) of the current annual assessment, no further payments shall be collected from the Unit Owners as a contribution to such operating reserve, unless it shall be reduced below the twenty-five percent (25%) level, in which event, the annual Assessment against each Unit Owner and/or Unit shall be increased to restore the operating reserve to an amount which will equal but not exceed twenty-five percent (25%) of the current annual amount of the Assessment.

### **15.6 Use of Association Funds.**

All moneys and assessments collected by the Association shall be treated as the separate property of the Association, and such moneys may be applied by the Association to the payment of the Common Expenses, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles, and Bylaws. As the moneys for Assessments are paid to the Association by any Unit Owner, the same may be co-mingled with moneys paid to the Association by the other owners of Units. Although all funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of Common Elements, including, without limitation, Common Surplus, shall be held for the benefit of the Unit Owners, no Unit Owner shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest in the Association except as an appurtenance to his Unit.

### **15.7 Special Assessments.**

Special Assessments shall be those Assessments other than Assessments described under Section 15.1 assessed equally against all Unit for the purpose of funding any services or acquisitions permitted under the Articles of Incorporation and the ByLaws which are not part of the annual budget or which are necessary due to the occurrence of a disaster or Act of God which is not otherwise covered by insurance.

The specific purpose or purposes of any Special Assessment shall be set forth in a written notice of such Assessment sent or delivered to each Unit Owner. The funds collected pursuant to such approved Special Assessment shall be used only for the specific purposes or purposes set forth in such notice or returned to Unit Owners. However upon completion of such specific purpose or purposes any excess funds shall be considered Common Surplus.

### **15.8 Delinquency or Default.**

The payment of any assessment or installment thereof due to the Association shall be in default if not paid to the Association on or before the due date thereof. If any assessment or installment is not paid by the due date, the Owner and the Unit shall be assessed an automatic late penalty of ten dollars (\$10.00) if not paid within 15 days of the due date or a late

penalty of twenty-five dollars (\$25.00) if not paid within 30 days of the due date. In addition to those sums, assessments and installments thereof not paid within sixty (60) days from the date they are due shall bear interest at the highest lawful rate from the 60th day from due date until paid.

**15.9 Developer's Liability for Assessment.**

The Developer shall be excused from the payment of the share of the Common Expenses relating to Units it owns for a period of time beginning with the recording of this Declaration and ending no later than the first day of the twelfth calendar month following the month in which the closing of the purchase of the first Condominium Unit occurs or the date on which the Developer transfers control of the Condominium Association to the Owners, whichever first occurs ("Guaranty Period"). During the Guaranty Period, the Developer guarantees that the monthly assessment shall not exceed \$62.00 per month. The Developer shall pay the portion of Common Expenses incurred during that period which exceeds the total amount collected from other Unit Owners at the guaranteed level. No working capital contribution funds shall be used during the period of time during which the Developer is excused from paying assessments for any of the items set forth in the original operating budget.

**16. ASSESSMENTS: LIEN AND ENFORCEMENT.**

**16.1 Lien for Assessment.**

The Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Elements or Limited Common Elements subordinate to prior bona fide liens of record, which lien shall and does secure the moneys due for all: (a) Assessments levied against each Unit Owner and his Unit, including maintenance fees, and approved Special Assessments, and (b) costs and expenses, including a reasonable attorney's fee, filing fees and court costs which may be incurred by the Association in collecting and enforcing its lien upon the Unit and its appurtenances. The lien granted to the Association may be established and foreclosed in the Circuit Court in and for the County. Any such enforcement shall be in accordance with the requirements of the Act. No such lien shall continue for a longer period than one (1) year after the claim of lien has been recorded, unless within that time action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all costs as set forth in Subsections (a) and (b) and which may accrue subsequent to recording the claim of lien and prior to entry of a final judgment of foreclosure.

In any suit for the foreclosure of the lien, the Association may be entitled to rental from the Owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for the Unit. The rental required to be paid, if any, shall be equal to the rental charged on comparable types of Units in the County.

**16.2 Recording and Priority of Lien.**

The lien of the Association shall be effective from and after recording, in the public records of the County, a claim of lien stating the description of the Unit encumbered thereby, the name of the record owner, the amount and the date when due, and shall continue in effect until all sums secured thereby shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above

provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record at the expense of the Unit Owner. The lien of the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording the Association's claim of lien.

#### 16.3 Effect of Foreclosure or Judicial Sale.

In the event that any person, firm or corporation shall acquire title by a purchase at the public sale resulting from a Mortgagee's foreclosure judgment or foreclosure suit in which the Association has been properly named as a defendant junior lienholder or as a result of deed given in lieu of foreclosure, such person, firm or corporation so acquiring title shall only be liable and obligated for Assessments as shall accrue and become due and payable for the Unit and its appurtenant undivided interest in Common Elements subsequent to the date of acquisition of such title, and shall not be liable for the payment of any Assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any Assessment or Assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Unit Owners as a part of the Common Expense, although nothing herein contained shall be construed as releasing the party personally liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

#### 16.4 Effect of Voluntary Transfer.

When Unit Owner proposes to sell or mortgage his Unit in compliance with other provisions of this Declaration, the Association, upon written request of the Unit Owner, shall within fifteen days thereof furnish to the Unit Owner, proposed purchaser or Mortgagee, a statement verifying the status of payment of any Assessment which shall be due and payable to the Association by the Unit. Such statement shall be executed by any officer of the Association and any purchaser or Mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Unit is to be sold or mortgaged at the time when payment of any Assessment against the Unit Owner and Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the proceeds of such sale or mortgage proceeds, as the case may be, shall be applied by the purchaser or Mortgagee first to payment of any then delinquent assessment or installment thereof due to the Association before payment of the balance of such proceeds of sale or mortgage to the Unit Owner responsible for payment of such delinquent Assessment.

In any voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor made prior to the transfer of title, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

#### 16.5 No Election of Remedies.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent Assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by

foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of any suit at law to attempt to effect collection of any sum then remaining owing to it.

17. TERMINATION.

The Condominium may be terminated in the following manner, in addition to the manner provided by the Condominium Act:

17.1 Destruction.

In the event it is determined, in the manner elsewhere herein provided, that the Improvements shall not be reconstructed because of total destruction, major damage, or condemnation, the condominium plan of ownership will be thereby terminated without further agreement.

17.2 Agreement.

The Condominium may be terminated at any time by the approval in writing of all of the owners of the Condominium and by all Mortgagees. If the proposed termination is submitted to a meeting of the Unit Owners, the notice of which meeting gives notice of the proposed termination, and if there is not unanimous approval but there is the approval of not less than seventy-five percent (75%) of the Voting Interests and one hundred percent (100%) of Mortgagees are obtained not later than thirty (30) days from the date of such meeting, then the approving Owners shall have an option to buy all of the Units of the other Unit Owners for the period ending on the sixtieth (60th) day from the date of such meeting. Such option shall be upon the following terms:

(a) Exercise of Option.

The option shall be exercised by delivering or mailing by certified mail to each of the Unit Owners to be purchased an agreement to purchase signed by the Unit Owners who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating Unit Owner and shall agree to purchase all of the Units owned by Unit Owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser and may be conditioned upon acceptance by all non-participating Unit Owners.

(b) Price.

The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it 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; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(c) Payment.

The purchase price shall be paid in full in cash or may include assumption of any existing mortgage financing, if permitted, plus cash.

(d) Closing.

The sale shall be closed within thirty (30) days following the determination of the sale price.

### 17.3 Certificate.

The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of the County.

### 17.4 Shares of Owners After Termination.

After termination of the Condominium, the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective Mortgagees shall have mortgages upon the respective undivided shares of the Unit Owners. The value of the undivided shares after termination shall be as the Unit Owners determine or as may be determined by a Court.

### 17.5 Amendment.

This Article cannot be amended without consent of all Unit Owners and of all Mortgagees.

## 18. CONDEMNATION.

### 18.1 General.

Whenever all or any part of the Common Elements shall be taken by any authority having the power of condemnation or eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association if such award amounts to less than One Hundred Thousand Dollars (\$100,000.00) and to the Insurance Trustee if such award amounts to One Hundred Thousand Dollars (\$100,000.00) or more. Unless otherwise provided by law at the time of such taking, any award made therefor shall be disbursed by the Association or the Insurance Trustee, as the case may be, as hereinafter provided in Article 11.

### 18.2 Units.

If the taking includes one or more Units, or any part or parts thereof, whether or not there is included in the taking any part of the Common Elements, then the award shall be disbursed as provided by law. All related matters, including without limitation alteration of the percentages of undivided interest of the Owners in the Common Elements, shall be handled pursuant to and in accordance with the consent of Owners as required by this Declaration (or such lesser number of Owners as may then be prescribed by the Condominium Act for the purpose of altering the percentages of undivided interest of the Owners in the Common Elements) expressed in a duly recorded amendment to this Declaration. In the event that such an amendment shall not be recorded within 90 days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Article 11, whereupon the development may be terminated in the manner herein prescribed.

## 19. RIGHTS OF MORTGAGEES.

### 19.1 Mortgagees' Right to Information.

Any Mortgagee of a Condominium Parcel who makes a request in writing to the Association for the items provided in this section shall have the following rights:

(a) To be furnished with at least one (1) copy of the annual financial statement and report of the Association.

(b) To be given written notice by the Association of the call of a meeting to be held for the purpose of considering any proposed amendment to this Declaration of Condominium, or the Articles of Incorporation and Bylaws of Association, which notices shall state the nature of the amendment being proposed.

(c) To be given notice of default (if such default remains uncured for 30 or more days) by Unit Owner owning any Unit encumbered by a mortgage held by such Mortgagee, such notice to be given in writing and to be sent to the principal office of such Mortgagee or to the place which it or they may designate in writing to the Association.

(d) To be given an endorsement to the insurance policies covering the Common Elements requiring that such Mortgagee be given any notice of cancellation provided for in such policy.

(e) To examine the books and records of the Association upon reasonable notice during ordinary working hours.

(f) To obtain current copies of the Declaration, By-Laws and other rules concerning the project.

(g) To obtain written notice of any condemnation loss, eminent domain procedures or any casualty loss which affects a material portion of the Condominium or any Unit upon which such Mortgagee has a mortgage.

(h) To obtain notice of any lapse, cancellation or material modification of any fidelity bond maintained by the Association.

#### 19.2 Mortgagees' Rights to Consent.

Except as shall be elsewhere provided herein, unless Mortgagees having loans secured by Units to which 75% of the Common Elements are appurtenant have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon owned directly or indirectly by the Association. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Condominium Property shall not be deemed a transfer within the meaning of this clause;

(b) change the method of determining the obligations, assessments, dues or other charges which may be assessed against any Units by the Association;

(c) by act or omission change, waive or abandon the regulations or enforcement thereof contained in this Declaration pertaining to the architectural design or the exterior appearance of Units.

#### 19.3 Mortgagees' Right to Reimbursement.

In the event the Association fails to pay, when due, taxes assessed against the Common Elements or premiums of

insurance covering the improvements on the Common Elements, then any one or more of the Mortgagees may pay such taxes or insurance premiums, and the Association shall be obligated to reimburse such Mortgagee or Mortgagees for such payments, and until paid, the same shall constitute a lien upon the Common Elements in favor of the party or parties, entity or entities, paying same, which lien may be enforced in a court of competent jurisdiction of the State of Florida in the same manner as a judgment lien may be enforced.

#### **19.4 Registry of Owners and Mortgagees.**

The Association shall endeavor at all times to maintain a register of the names of the Owners and Mortgagees of all Units. Upon the transfer of title to any Unit, the transferee shall notify the Association in writing of his interest in such Unit together with recording information identifying the instrument by which such transferee acquired his interest in the Unit. The Owner of each Unit encumbered by a mortgage shall notify the Association of the name and address of the Mortgagee, the amount of such mortgage, or mortgages, and the recording information identifying the same. A Mortgagee may notify the Association of any such mortgage(s), and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

### **20. SUBSEQUENT PHASES.**

#### **20.1 Additional Land and Improvements.**

Developer reserves the right, in its sole discretion, at any time from the date of recording of this Declaration in the public records of the County until five (5) years thereafter, to declare and submit additional lands and improvements located thereon to the condominium form of ownership under this Declaration by recording an amendment hereto in compliance with the Act. The additional land which may be submitted to the condominium form of ownership is described as Subsequent Phases and proposed development land on Exhibit A-1 attached hereto and made a part hereof. The Developer reserves the right to modify the legal descriptions of the phases in a non-adverse fashion to accommodate the Buildings as built; provided, however, when taken together, the legal descriptions of the phases shall equal the overall boundary set forth in Exhibit A-1.

The proposed buildings and unit types shown on Exhibit C represent the Developer's present plans in connection with the development of the Subsequent Phases. Provided, however, the Developer reserves the right to make such changes as hereinafter provided without further consent or approval of Unit Owners.

Each of the Subsequent Phases, if declared, will be submitted to condominium ownership as a part of the Condominium by recording in the public records of the County, an amendment to this Declaration in accordance with the Act and executed and acknowledged by the Developer and any Mortgagee holding a security interest in the land to be subjected as a Subsequent Phase, or the successors and assigns. Upon recordation of the amendment, the undivided shares of Common Elements, Common Expenses and Common Surplus shall be adjusted automatically in accordance with Exhibit B hereof.

In the event that the Developer determines not to add any or all of the Subsequent Phases, the Developer shall give notice to the owners of the existing Units of the decision not to add any or all Subsequent Phases. The notice shall be sent by certified mail addressed to each Unit Owner at the address of his Unit or his last known address. In the event that any Subsequent Phases are completed at or about the same time, Developer reserves

the right to amend the amendments to this Declaration to include both phases as a part of this Declaration. Developer hereby expressly reserves the right to grant an easement over the roadways contained within the Condominium Property which easements may be granted to the owners of the property described in Exhibit A-1 as Subsequent Phase Land. Provided, however, if Developer or its successors and assigns develop the land described on Exhibit A-1 and such development is not subject to this Declaration, prior to granting an easement for ingress and egress over the roadways within the Condominium Property, the Developer shall require that the beneficiaries of the easement contribute a pro rata share of the cost of the maintenance for the roadway easement, the payment for which shall be enforceable by a lien right.

## 20.2 Graphic Depiction of Improvements for Subsequent Phases.

The plot plan included in Exhibit C is as the improvements are presently proposed to be constructed. The Developer reserves the right to move the location of the buildings, within a phase or between phases, to add or delete buildings, to add or delete Units, to add new unit types and to delete existing Unit types or carports from Subsequent Phases. Provided, however, the total number of Units in the Condominium shall be no less than 22 units nor greater than 200 and the square footage contained within such Units shall be no less than 750 square feet nor greater than 2000 square feet. Each phase shall consist of a maximum of three (3) buildings and each building shall contain no less than six (6) Units or more than twelve (12) units. At the present time the number of buildings and the minimum and maximum number of units for each phase is anticipated to be as follows:

| Phase | No. of Buildings | Minimum/Maximum No. of Units |
|-------|------------------|------------------------------|
| II    | 3                | 20-24                        |
| III   | 3                | 18-22                        |
| IV    | 3                | 26-32                        |
| V     | 3                | 28-36                        |
| VI    | 2                | 13-17                        |
| VII   | 3                | 18-22                        |
| VII   | 3                | 18-22                        |

## 20.3 Changes in Ownership of Common Elements and Expenses.

Upon the addition of any Subsequent Phase, the share of ownership of Common Elements, Common Expenses and Common Surplus will decrease; however, all Units shall have an equal share of ownership. The share of ownership for each Unit will be a fraction, the numerator of which is "1" and the denominator of which is the number of Units subject to the Declaration.

## 20.4 Additional Facilities.

Upon the addition of any Subsequent Phase, the Residential Buildings, appurtenant landscaped areas, sidewalks and roadways will be constructed. The Developer has reserved the right to construct a 20 foot by 40 foot swimming pool with a deck and restroom facility in connection with the construction of Phase V of the Condominium and to construct "tot lots" in connection with Phases III, IV and VII of the Condominium.

## 20.5 Voting Rights.

In the event that any Subsequent Phase is submitted to this Declaration, each Unit Owner shall be entitled to membership in the Association. Each Unit shall be entitled to one Voting Interest to be cast in Association matters. The total number of Voting Interests shall equal the total number of Units.

## 20.6 Time Share Estates.

There will be no time share estates in Subsequent Phases.

## 20.7 Proviso.

Nothing contained herein shall be deemed to require the Developer to submit any or all the land contained in the Subsequent Phases or any portion thereof to condominium ownership under this Declaration nor to require that the Association be the entity responsible for its operation.

Nothing contained herein either in this Declaration or any term or provision hereof shall constitute a defect, encumbrance, or a lien upon the title of any portion of the property described in Exhibit A-1. This Declaration and the exhibits attached hereto are intended only to reserve certain rights to the Developer and its successors or assigns as the owner of such property.

## 21. LAKE AND WATER RIGHTS

### 21.1 Ownership of Lakes.

The Condominium is adjacent to a lake which serves as a stormwater retention facility for the Condominium as well as certain adjacent parcels of land. All rights and obligations in connection thereto are set forth in the Declaration of Drainage Easement recorded in Official Records Volume 6057, page 2012 and Supplemental Declaration of Drainage Easement and Lake Maintenance Agreement to be recorded in the public records of Duval County, Florida.

Pursuant to the terms of the foregoing the Unit Owners through the Association are obligated to pay a pro-rata share of the cost of maintenance of the lake.

## 22. MISCELLANEOUS.

### 22.1 Severability.

The invalidity in whole or in part of any covenant or restriction, or any Article, subarticle, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Articles of Incorporation, Bylaws and regulations of the Association shall not affect the validity of the remaining portions thereof.

### 22.2 Applicability of Declaration of Condominium.

All present or future owners, lessees, tenants, or any other person who might use the facilities of the Condominium Property in any manner, are subject to the provisions of this Declaration, and the mere acquisition or rental of any Unit, or mere act of occupancy of any Unit, shall signify that the provisions of this Declaration of Condominium are accepted and ratified in all respects.

### 22.3 Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership; the Florida Condominium Act, as amended, is hereby adopted and made a part hereof. In the event of any conflict between the provisions of this Declaration and the Condominium Act, the provisions of the Condominium Act shall prevail.

22.4 Parties Bound.

The restrictions and burdens imposed by this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in Common Elements and this Declaration shall be binding upon Developer, its successors and assigns, and upon all parties who may subsequently become owners of Units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

22.5 Attorneys Fees and Costs.

In the event that the Association or any person authorized by this Declaration brings an action to enforce the provision of this Declaration, the prevailing party shall be entitled to receive reasonable attorney's fees and costs.

IN WITNESS WHEREOF, Developer has caused the foregoing Declaration of Condominium to be executed, and its corporate seal to be affixed, by its undersigned, duly authorized officer on the date set forth above.

Signed, sealed and delivered  
in the presence of:

DEERFIELD LAKES ASSOCIATES,  
LTD., a Florida limited  
partnership  
By: Mayport Beach  
Development, Inc., its  
general partner

*Robert L. Davis*  
*Marie S. Sanger*

By *Mayport Beach*  
Its *President*

(CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF DUVAL

15th day of June, 1987, by THOMAS L. DAVIS, the  
President of Mayport Beach Development, Inc., a Florida  
corporation, general partner of Deerfield Lakes Associates, Ltd.,  
a Florida limited partnership, on behalf of the partnership.

*William J. Smith*  
Notary Public, State of Florida

My Commission Expires:                     

LCKDECCDDL

**RULES AND REGULATIONS  
OF  
DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC.**

Pursuant to the authority vested in the Board of Directors of Deerfield Lakes Condominium Association, Inc. (the "Association"), the following rules and regulations of Deerfield Lakes, a Condominium ("Condominium") have been adopted by the Board of Directors of the Association (the "Board") to govern the use of the Condominium Property ("Condominium Property") as defined in the Declaration of Condominium.

1. **ENFORCEMENT.** All violations of these rules and regulations shall be reported immediately to a member of the Board, an Association officer and/or the management agent. Disagreements concerning violations, including without limitation, disagreements regarding the proper interpretation and effect of these rules and/or the remedial action to be taken thereunder shall be determined by the Board whose determination shall be dispositive. In the event that any person, firm, or entity subject to these rules and regulations, fails to abide by them, as they are interpreted by the Board, such person, firm, or entity shall be liable to be fined by the Association for each such failure to comply or other violation of these rules and regulations.

In the event that the Board determines to assess a fine, which shall not exceed \$25.00 for each violation, or take action against a Unit Owner, such Unit Owner shall be given the opportunity for a hearing. Written notice of the hearing shall be given to the Unit Owner at least fourteen (14) days prior to the hearing which notice shall include a statement of the date, time and place of the hearing, of the provisions of the declaration, bylaws or rules which have allegedly been violated and a short and plain statement of the matters asserted by the Association. The Unit Owner shall have the opportunity to respond, to present evidence and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

2. **USE OF THE COMMON ELEMENTS.** The Common Elements of the Condominium are for the exclusive use of Unit Owners, and their immediate families, lessees, resident house guests and guests, and no other person shall be permitted to use the Common Elements of the Condominium.

3. **NOISE.** All noise, including without limitation, talking, singing, television, radio, record player, tape recorder or musical instrument, shall be kept at such volume level that the noise is not audible outside of the boundaries of the Unit in which it originates.

4. **CHILDREN.** Children shall not play on or about the Common Elements of the Condominium except under reasonable supervision by a responsible adult.

5. **OBSTRUCTIONS.** There shall be no obstruction or cluttering of the Condominium Property, including, without limitation, sidewalks, driveways, automobile parking spaces, lawns, entrances, stairways, decks, or vestibules, or other Common Elements or areas.

6. **DESTRUCTION OF PROPERTY.** There shall be no marking, marring, damaging, destroying, or defacing of any part of the Condominium Property. Unit Owners shall be held responsible for, and shall bear any expense of such damage caused by the Unit Owner, his family, guests, lessees and/or invitees.

7. BALCONIES, WINDOWS, TERRACES, AND DOORS. Nothing shall be dropped, thrown, swept, or otherwise expelled from any window, door, balcony, or terrace. No plants, pots, receptacles or other decorative articles shall be kept, placed, hung or maintained on any ledge, balcony or terrace. All loose or movable objects shall be removed from balconies or terraces upon notice of an approaching hurricane or other inclement weather characterized by conditions of high wind. Balconies, windows, terraces, and doors shall not be altered from the condition in which originally constructed, including without limitation alteration by painting, screening, or installation of reflective materials, unless pursuant to the Declaration of Condominium, Articles of Incorporation and Bylaws of the Association.

8. WINDOW COVERINGS. All window coverings shall have white or off-white liners so as to give uniform appearance to the facade of the Condominium Buildings. For purposes of assessing fines for violation of this rule, each day during which this rule is violated shall constitute a separate violation of the rules for which a fine may be levied.

9. DAMAGE TO COMMON ELEMENTS. Unit Owners shall be responsible for, and shall bear any expense of, any damage to the Common Elements caused by moving to or removing from their Unit household furnishings or other objects, or caused by any other deliveries to or from Units by their invitees.

10. REFUSE. All refuse, waste, bottles, cans, newspapers, magazines and garbage shall be deposited in the covered sanitary containers, as directed from time to time by the Association.

11. SIGNS. No sign, nameplate, signal, advertisement or illumination shall be inscribed or exposed on or at any window, door, balcony or terrace or Common Elements without the express prior written consent of the Board of Directors.

12. KEYS. The Association shall maintain a key to each Unit in the Condominium. No Unit Owner shall change existing locks or install additional locks unless duplicate keys therefor are provided to the Association.

13. PARKING.

- (a) No vehicular traffic shall exceed 10 mph within the Condominium.
- (b) All vehicles must meet local noise requirements. Automobiles and motorcycles without mufflers in good working order are prohibited.
- (c) No vehicle shall be parked so as to impede ingress to or egress from other parking spaces, drives, roads, or building entryways.
- (d) Parking of boats, trailers, campers, trucks or other oversized vehicles without the consent of the Board is prohibited.
- (e) Any vehicles parked illegally or in violation hereof may be removed by the Board at the expense of the offending party.

14. PETS. Although pets are permitted in the Units, it is suggested you think carefully about maintaining a dog or cat within a condominium project. Often, dogs and cats are

or entity shall be automatically terminated when such person or entity is divested of all title or his entire fee ownership in such Unit; provided, that nothing herein contained shall be construed as terminating the membership of any person or entity owning fee title to or a fee ownership interest in two or more Units at any time while such person or entity shall retain fee title to or a fee ownership interest in any unit.

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

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

E. The membership of the Association shall initially be comprised of the directors of the Association, each of whom shall be entitled to cast a Voting Interest on all matters upon which the membership would be entitled to vote.

#### V. EXISTENCE

The Association shall have perpetual existence.

#### VI. PRINCIPAL OFFICE

The principal office of the Association shall be located in Florida, but the Association may maintain an office and transact business in such places, within or without the State of Florida, as may from time to time be designated by the Board of Directors.

#### VII. MANAGEMENT

The affairs of the Association shall be managed by the President of the Association assisted by the Vice President, Secretary and/or Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers of the corporations in the State of Florida subject to the directions of the Board of Directors.

Officers of the Association may be compensated in the manner to be provided in the Bylaws. The Board of Directors or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Condominium and the affairs of the Association, any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a member of the Association or a Director or officer of the Association, as the case may be.

left unattended and become very unhappy. They also become noisy and a nuisance to neighbors. The basic rules and regulations which pertain to pets are set forth in the Declaration. Residents are permitted one dog and/or one cat, aquarium fish or small birds such as canaries and parakeets. No other animals of any kind shall be kept in a Unit or allowed upon the Common Property except by prior written consent of the Board which may be withheld for any reason. In addition, at such times as a permitted dog is outside the Unit, such dog shall be maintained on a leash and attended by the Owner at all times. No dog may be tied up or restrained outside a Unit without an Owner supervising such pet. All dogs must be walked on the designated Pet Walking Area and if walked in other areas, the Owner shall immediately remove the animal waste.

15. LEASING OF CONDOMINIUM UNITS. A Unit Owner who leases a Unit shall provide a copy of the lease, fully executed, to the Management Company or if there is no written lease shall provide the name, address, phone number of the tenant(s) to the Management Agent. The Unit Owner and/or tenant must take care in moving into and out of the Condominium. Any damage to the Common Elements caused by an Owner, his tenants, guests or invitees will be repaired by the Association at the Unit Owner's expense. All leases shall provide that the Association may, on behalf of the Unit Owner, and after written notice, evict any tenant who violates the Declaration or these Rules and Regulations. A Unit Owner who leases a Unit shall be responsible for advising his tenants of the Declaration and these Rules and Regulations and shall be responsible for any violations or damages caused by the Tenant.

16. SOLICITING. Soliciting is strictly forbidden. Please notify the Management Agent if a solicitor appears and appropriate action will be taken.

17. TRASH COLLECTION AND REMOVAL. All trash and garbage shall be placed in sanitary bags and placed in the dumpster. All Owners are responsible for maintaining the area around the dumpster container.

18. WATERBEDS. Occupants need to be aware that waterbeds can cause extensive damage if they leak or burst. It is suggested that Unit Owners carry homeowner's liability specifically covering such damage as the Unit Owner will be held liable therefor.

19. FREEZE DAMAGE. During periods of extreme cold it is each Unit Owner's responsibility to maintain a temperature within the Unit sufficient to prevent interior pipes from freezing. If an owner or occupant turns his thermostat to a low setting and leaves the Unit unattended during periods of extreme cold, there is a risk of pipes freezing and causing substantial damage to the Unit and possibly other Units. The Association is not responsible for this damage.

20. RULE CHANGES. The Board reserves the right to change or revoke existing rules and regulations and to make such additional rules and regulations from time to time as, in its opinion, shall be necessary or desirable for the safety and protection of the buildings and their occupants, to promote cleanliness and good order for the Condominium Property and to assure the comfort and convenience of Unit Owners.

21. COMPLIANCE WITH DOCUMENTS. All members, and every lessee, guest or visitor of a member, shall comply with all of the terms, conditions, covenants, restrictions and limitations contained in the Declaration of Condominium, the Articles of Incorporation and the Bylaws.

PROSPECTUS  
FOR  
DEERFIELD LAKES  
A CONDOMINIUM

1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.
3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

after recording the Declaration, at Developer's option, to expand the Condominium by the addition of more phases as more fully described in paragraph 13.

(d) Estimated Latest Date of Completion. The estimated latest date of completion of constructing, finishing and equipping Units and other improvements of the Condominium described in paragraph 1(b) is set forth in the Purchase and Sale Agreement, paragraph 7, Attachment 4 to this Prospectus. The Developer has reserved the right until five years from the recording of this Declaration, at Developer's option, to expand the Condominium by the addition of Subsequent Phases of the Condominium. The estimated date of completion of the Subsequent Phases shall be as set forth in the respective Purchase Agreements for the Subsequent Phases.

(e) Maximum Number of Units That Will Use Condominium Facilities. The total of not more than two hundred (200) is the maximum number of Units that will use the condominium facilities described in paragraph 3 hereof in common if all phases of the Condominium are completed as planned.

## 2. SALE OF FEE SIMPLE INTERESTS.

(a) THE CONDOMINIUM UNITS ARE BEING SOLD ON FEE SIMPLE INTERESTS. The Developer intends to sell or lease the Units, at its discretion.

(b) THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE. (See Section 13.5 of the Declaration. Attachment 1 hereof.)

The Developer has no present intention of engaging in a program of renting or leasing unsold Units; but the Developer reserves the absolute and free right to do so. Depending upon market conditions, Developer shall be entitled to lease or transfer the Units on such terms as Developer shall deem convenient or appropriate. In the event that any Unit is sold prior to the expiration of the term of the lease, the purchasers will succeed to the interest of the applicable lessee. If any Unit is sold subject to a lease, a copy of the executed lease will be attached to the Purchase Agreement in accordance with Section 718.503 (1) (d) of the Florida Statutes, if applicable. If the Unit has been previously occupied, the Developer will so advise a prospective purchaser, in writing, prior to the time that the purchaser executes a Purchase Agreement, if required by law.

## 3. COMMON FACILITIES TO BE USED ONLY BY UNIT OWNERS OF CONDOMINIUM.

(a) The recreational and common facilities available at the Condominium to be used only by Unit Owners, their guests or tenants, are as follows:

- (i) paved roadways within the Condominium Property providing ingress and egress from the Units to the roads;
- (ii) concrete sidewalks leading to the Units;
- (iii) unassigned uncovered parking spaces;
- (iv) mail kiosk containing mail boxes for the Condominium;
- (v) dumpster with protective fencing;
- (vi) RECREATIONAL FACILITIES IN THE CONDOMINIUM MAY BE EXPANDED OR ADDED TO WITHOUT CONSENT OF UNIT OWNERS OR THE CONDOMINIUM ASSOCIATION (see Article 20 of Declaration). The Developer has reserved the right

to construct a swimming pool in connection with the construction of Phase V of the Condominium and to construct "tot lots" in connection with Phases III, IV and VII. If constructed, the pool will be approximately 20 feet by 40 feet with an approximately 1,400 square foot deck and a facility containing approximately 300 square feet which includes 2 restrooms and an open area. The pool will be unheated and will vary in depth from 3 feet to 6 feet. There will be at least one "tot lot" which will have play equipment and grassed areas and will be configured as the layout of the phase permits.

(vii) In addition to the foregoing, the front entrance light of each Unit is hereby deemed to be a Common Element of the Condominium providing illumination for the entire Condominium. Accordingly, irrespective of the fact that the light is metered as a part of each Unit, no Unit Owner shall have the right to remove the light bulb or in any other manner prevent the light from turning on at dusk.

(c) There will be no more than 200 units in the Condominium, if all the property is developed, which is the total number of Unit Owners using the foregoing common facilities.

(d) All descriptions contained herein and shown on the site plan as to locations, areas, capacities and sizes are approximations only.

(e) The estimated date when each of the facilities described in 3(a)(i)-(v) will be available for Unit Owners is the same date as completion of the Units (see paragraph 7 of the Purchase and Sale Agreement). The estimated dated completion of the improvements described in 3(a)(vi) will be the date on which the applicable phase containing such improvement is completed.

(f) The Developer is not committed to provide any personal property for these facilities.

(g) The Common Elements of the Condominium are owned by all Unit Owners in the Condominium in the fractional shares described in Exhibit "B" to the Declaration of Condominium, Attachment 1 to this Prospectus.

#### 4. RECREATIONAL AND OTHER COMMON FACILITIES TO BE USED IN COMMON WITH OTHERS.

The storm water retention for the Condominium will be provided by a lake adjacent to the northern boundary of the Condominium. Pursuant to that certain Supplemental Declaration of Drainage Easement and Maintenance Agreement the Association shall share the obligation to maintain the lakes and to pay for such maintenance with other surrounding owners of property which is not within the Condominium. See Attachment 8 for a copy of the foregoing described Supplemental Declaration.

#### 5. CONDOMINIUM ASSOCIATION

##### (a) The Association.

Upon conveyance of a Unit, the Unit Owners automatically become a member of the Deerfield Lakes Condominium Association, Inc. ("Association"), which is charged with the operation of the Condominium pursuant to its Articles and Bylaws (Exhibits "E" and "F" of Attachment 1).

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the type of improvements to be constructed in the Subsequent Phases. The Developer reserves the right to change the proposed improvements, to increase or decrease the number of Units or buildings, to change the phase lines or relocate the building, and to change the Unit Types within the limits set forth in the Declaration.

The decision to construct and submit any Subsequent Phase to the Declaration is solely that of the Developer. Nothing herein shall be construed to require or obligate the Developer to construct the improvements other than those described in paragraphs 1(b) and 3 hereof. In addition, the Developer has reserved the right to subject the Subsequent Phases in the order which Developer determines, the numerical designations of the Units or the Phases shall not be determinative of the order and the Developer further reserves the right to add more than one Subsequent Phase at a time if more than one Subsequent Phase is completed simultaneously. Prior to constructing any Subsequent Phase, the Developer shall be obligated to construct the roadway within the Condominium Property providing ingress and egress from the Unit to a publicly-dedicated right-of-way.

In the event that the Developer determines not to declare any Subsequent Phase, the Developer shall give notice to the owners of the existing Units of the decision not to declare any Subsequent Phase. The notice shall be sent by certified mail addressed to each Owner at the address of his Unit or at his last known address. In the event that Developer substantially completes all the phases at the same time, Developer reserves the right to amend the documents to show all Units and buildings within the Condominium Property subject to the Declaration in the same documents.

2.5 "Bylaws" mean the Bylaws of the Association.

2.6 "Common Elements" mean and include the portions of the Condominium Property which are not included within the Units, which is more specifically set forth in Section 3.6 hereof. Common Elements shall not include improvements installed by Unit Owners.

2.7 "Common Expenses" mean all expenses properly incurred by the Association for the Condominium.

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

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

2.10 "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.

2.11 "County" means the County of Duval, State of Florida.

2.12 "Declaration" or "Declaration of Condominium" means this instrument, as it may be amended from time to time.

2.13 "Improvements" mean all structures and artificial changes to the natural environment (exclusive of landscaping) located on the Condominium Property.

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

2.15 "Mortgagee" means a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), the Administrator of the Veterans Administration or Federal Housing Administration and other similar insurers and guarantors of mortgages, mortgage banker, or any other lender generally recognized as an institutional-type lender, or the Developer, holding a mortgage on a Unit or Units.

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

2.17 "Unit" means a part of the Condominium Property which is subject to exclusive ownership.

2.18 "Unit Owner" or "Owner of a Unit" or "Owner" means the record owner of a Condominium Parcel.

#### 4.1 Use of Common Elements.

(a) An undivided share in the Common Elements and in the Common Surplus and an obligation to pay a pro rata share of the Common Expenses. The undivided share in the Common Elements, Common Expenses and the Common Surplus of the Condominium appurtenant to each Unit is that proportion of the total set forth, as a fraction, in the schedule which is annexed hereto and made a part hereof as Exhibit "B" which fractional share may be adjusted in accordance with the provisions therein; and

(b) The right to use exclusively, or in common with certain other Units where so specified, those portions of the Common Elements designated and/or reserved herein and/or granted elsewhere to a certain Unit or Units as Limited Common Elements; and

(c) The appurtenant share in the Common Elements and Common Surplus and the exclusive right to use all the Limited Common Elements appurtenant to a Unit, cannot be conveyed or encumbered except together with the Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided and no action for partition of the Common Elements, the Condominium Property or any part thereof, shall lie, except as provided herein with respect to termination of the Condominium.

#### 4.2 Easements.

(a) An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time (as shown on Exhibit "D" hereto) and as it may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is permanently vacated from time to time; and

(b) Non-exclusive easements, to be used and enjoyed in common with all Unit Owners the owners of all Units in the Condominium, their guests, invitees, and lessees, for use of those Common Elements not designated elsewhere herein as Limited Common Elements, including, without limitation, easements for:

(i) The furnishing and maintenance of private or public utility services to all parts of the real property of the Condominium over, across, in and through the Land, the Condominium Building and other improvements, as the fixtures and equipment therefor now exist and/or may be modified or relocated; and

(ii) Vehicular and pedestrian access over, across, upon, in and through the drives, sidewalks, entries, gates, walks, grounds, and other portions, if any, of the Common Elements as are intended and/or provided for pedestrian and vehicular traffic through the Condominium and for access to the common roadways.

(c) An exclusive easement for the encroachment by any Unit upon any other Unit or Common Element, or vice versa, for any reason not caused by or resulting from the willful act of Developer or any Unit Owner or Owners, including without limitation, encroachments caused by or resulting from the original construction of improvements, which exclusive easement shall exist at all times during the continuance of such encroachment, as an easement appurtenant to the encroaching Unit or other improvement, to the extent of such encroachment; and

(d) An exclusive easement for the use of the area of Land and air space occupied by the appurtenant mechanical equipment, e.g. air conditioning compressor, heat pump, air handler and the equipment and fixtures appurtenant thereto, situated in and/or on Common Elements of the Condominium but

exclusively serving a particular Unit, as the same exist in and on the Land, which exclusive easement shall be terminated automatically in any air space which is permanently vacated by such air conditioning compressor, heat pump, air handler and the equipment and fixtures appurtenant thereto, provided, that the removal of the same for repair and/or replacement shall not be construed to be a permanent vacation of the air space which it occupies.

#### 4.3 Membership.

The right to membership in the Association with full voting rights appertaining thereto upon the terms and conditions set forth elsewhere herein.

#### 4.4 Ingress and Egress.

Each Unit Owner and his guests, invitees, lessees and domestic help, and all delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by the Developer or Grantor of the easement referenced therein ("Grantor") to serve the Condominium, holders of mortgage liens on the Condominium or any Unit and such other persons as the Developer may from time to time designate, shall have the non-exclusive and perpetual right of ingress and egress over and across the real property constituting common roads within the Condominium Property as described in Exhibits A and C attached hereto and made a part hereof.

### 5. THE ASSOCIATION.

#### 5.1 Name of Association.

The entity responsible for the operation of the Condominium shall be DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (the "Association"), of which a copy of the Articles of Incorporation is attached hereto and made a part hereof as Exhibit "E." Subject to the rights reserved to Developer herein, and in the Condominium Act to administer and manage the Condominium Property, the Association shall administer and manage the Condominium Property; provided, that the Association may, to the extent permitted by the Condominium Act, by contract, delegate its maintenance, management and operational duties and obligations.

#### 5.2 Bylaws of Association.

A copy of the Bylaws of the Association is attached hereto and made a part hereof as Exhibit "F".

#### 5.3 Voting Rights of Unit Owners.

The Unit Owner(s) shall become a member or members of the Association automatically upon and simultaneously with delivery of a deed of conveyance of fee title thereto from Developer or, in a conveyance by a grantee or a remote grantee of Developer, a deed which has been approved by the Association and otherwise complies with the terms and conditions of this Declaration, the Articles of Incorporation and Bylaws of the Association. There shall be appurtenant and pass with title to each Unit, one Voting Interest as a member of the Association, which may be exercised by the Unit Owner(s), or the duly constituted proxy of the Unit Owner(s), from time to time, at all meetings of members and in connection with all matters upon which all members of the Association are entitled to vote. The qualification of members of and manner of admission to membership in the Association, the termination of such membership and voting

. for present text." Non-material errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment. For twenty years from the date of recording of this Declaration, the proposed amendment may be adopted, and shall become effective, by and upon the affirmative vote at such meeting of not less than ninety percent (90%) of the Voting Interests. Thereafter, the requisite percentage of Voting Interests for approval shall be not less than seventy-five percent (75%).

#### 6.4 Proviso.

Except as elsewhere permitted herein, no amendment shall:

(a) Change any "Condominium Parcel" (as defined in the Condominium Act) unless the record owner thereof and Mortgagees thereon shall join in the execution and acknowledgment of the amendment, or

(b) Discriminate against any Unit Owner or against any Unit or any class or group of Units comprising part of the Condominium Property, unless the record owners of all affected Units and Mortgagees thereon shall join in the execution and acknowledgment of the amendment, or

(c) Change the share of Common Elements appurtenant to any Unit or Units or the share of any Unit Owner in the Common Surplus, or increase the share of any Unit Owner(s) in the Common Expenses, except as provided upon the annexation of a Subsequent Phase, if any, unless the record owners of Units so affected and the Mortgagees thereon shall join in the execution and acknowledgment of such amendment, or

(d) Make any change in Article 10 hereof, entitled "Insurance," nor in Article 11 hereof, entitled "Reconstruction or Repair After Casualty," unless the Mortgagees on Units shall join in the execution and acknowledgment of the amendment, or

(e) Adversely affect the lien or priority of any previously recorded Mortgage to a Mortgagee; or

(f) Change the rights and privileges of the Developer without the Developer's written approval.

(g) So long as the Developer has title to any Condominium Unit, no amendment to this Declaration shall be made to this Declaration or any exhibits thereto unless the Developer shall consent in writing to the amendment, which consent may be withheld by the Developer for any reason.

(h) Change the use of any Unit or Common Element to commercial use without Developer's written consent.

(i) Merge the Condominium with another condominium regime without prior written approval of Mortgagees. (j) The right of the Developer to amend this Declaration of Condominium as elsewhere provided herein shall not be abridged in any manner by this Article or any other article of this Declaration or exhibits thereto.

#### 6.5 Effective Date and Recording Evidence of Amendment.

An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed in the form required for the execution of a deed. Amendments

effected by the Developer must be evidenced in writing and recorded, but a certificate of the Association is not required. An amendment of the Declaration is effective when it is recorded in the public records of the County.

#### 6.6 Amendments by Developer.

Notwithstanding any provision to the contrary set forth in this Article or elsewhere in this Declaration or in the Articles of Incorporation or Bylaws of the Association, the Developer may amend this Declaration to add any surveyor's certificate(s), to submit Subsequent Phases to this Declaration [as more fully described in Article 20], to amend the documents as required by an Institutional Mortgagee, or in accordance with § 13.4 without the consent or joinder of any Unit Owner or Mortgagee, provided however, that any Mortgagee holding an interest in any land which constitutes a Subsequent Phase shall execute the amendment to add a phase. In no event may the Developer amend the Declaration to adversely effect the rights of Unit Owners granted pursuant to Section 718.403 (Phasing the Condominium) without the approval of the required percentage of Voting Interests.

#### 6.7 Amendment to Correct Omission or Error In Condominium Documents.

The Association, by the affirmative vote of not less than 51% of the Voting Interests, may amend the Declaration for the purpose of correcting a defect, error or omission in this Declaration so long as such amendment does not materially or adversely affect the rights of owners, lienors or mortgagees.

### 7. MAINTENANCE, REPAIRS AND REPLACEMENTS.

Responsibility for maintenance, repairs and replacements of Condominium Property and property of Unit Owners located or situated within the Condominium shall be as follows:

#### 7.1 Units.

Each Unit, and the personal property therein, fixtures, equipment and appliances comprising a part thereof, located therein, or exclusively serving the same shall be maintained, kept in good repair and replaced by and at the expense of the Owner(s) thereof. All maintenance, repairs and/or replacements for which Unit Owners are responsible and obligated to perform, whether structural or nonstructural, ordinary or extraordinary, shall be performed promptly as the need arises. Notwithstanding the obligation of Unit Owners for maintenance, repair and replacement of and in Units, the proceeds of all insurance awards or payments under insurance carried by the Association for loss or damage to or within such Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance.

#### 7.2 Common Elements.

The Association shall be responsible for, and shall assess against and collect from all Unit Owners, the costs of maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Elements except certain of the Limited Common Elements specified below. It is specifically acknowledged that neither the Association nor the Developer, for so long as the Developer is in control of the Association, can guaranty the survival of any grass or plant material installed on the Common Elements. Accordingly, in the event that any grass or plant material shall fail to thrive the Association and/or the Developer shall be entitled to use its discretion in the selection

of replacement grass or plant material. The Association shall, at the expense of all Unit Owners, repair any and all incidental damage to Units resulting from maintenance, repairs and/or replacements of or to Common Elements.

### 7.3 Limited Common Elements.

The responsibility for, and the cost of keeping clean and in orderly condition the Limited Common Elements described in §3.7 which exclusively serve a certain Unit to the exclusion of other Units, shall be borne by the Unit Owner(s) to which the same are appurtenant. The repair and on-going maintenance of Limited Common Elements shall be done by the Association, but paid for by the Unit Owner of the Unit to which it is appurtenant.

Notwithstanding the Unit Owners' obligations with respect to certain Limited Common Elements, any proceeds of insurance awards or payments under insurance carried by the Association for loss or damage to such Limited Common Elements shall be applied against such repair or replacement to the extent that such award or payments exceed the deductible limits of such insurance.

### 7.4 Management.

The Board may enter into a contract with any firm, person, or corporation or may join with any other condominium associations and entities in contracting for the maintenance and repair or management of the Condominium Property. The Board may contract for and may delegate to the contractor or manager all the powers and duties of the Association, except such as are specifically required by this Declaration or by the Bylaws, to have the approval of the Board of Directors or the membership of the Association. The contractor or manager may be authorized to determine the budget, make assessments for common expenses and collect assessments as provided by this Declaration, Bylaws and exhibits to this Declaration.

### 7.5 Entry for Maintenance.

3 The Board, or the agents or employees of any management firm or the Association, shall be allowed entry into any Unit or Limited Common Elements for the purpose of maintenance, inspection, repair, replacement of the improvements within the Units, Limited Common Elements, or the Common Elements or in case of emergency circumstances threatening Units, Limited Common Elements or the Common Elements, or to determine compliance with the provisions of this Declaration and the Bylaws of the Association. The liability for any damage done by the Board, agents or employees of any management firm or Association shall be assessed against the Unit Owner of the Unit being repaired, maintained or inspected unless such damage is created by the gross negligence or wilful misconduct of the Board, agents or employees of any management firm or Association. Entry for the above described purposes shall not be deemed a trespass.

### 7.6 Failure to Maintain.

In the event a Unit Owner fails to maintain his Unit and Limited Common Elements, as required herein, or makes any alterations or additions without the required consent, or otherwise violates or threatens to violate the provisions of this Declaration relevant to maintenance, alteration and repair, the Association shall have the right to levy an assessment against the Unit Owner and the Unit, for such necessary sums to perform the required maintenance to remove any unauthorized addition or alteration and to restore the Unit or Common Limited Common Element to good condition and repair. The Association shall have

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the further right to have its employees or agents or any subcontractors appointed by them enter a Unit at all reasonable times to do such work as is deemed necessary by the Board of the Association to enforce compliance with the provisions hereof.

8. ALTERATIONS OF AND IMPROVEMENTS TO UNITS AND COMMON ELEMENTS.

Except as the right is herein reserved to Developer in Article 20, neither a Unit Owner nor the Association shall make any alterations, improvements or additions to Units, Common Elements, or Limited Common Elements except in compliance with the following conditions.

No Unit Owner shall make any addition, alteration or improvements in or to the Common Elements nor to his Unit or any Limited Common Element ("Proposed Improvement") without the prior written consent of the Board. The Board shall have the obligation to answer any written request by a Unit Owner for approval of such Proposed Improvement in such Unit Owner's Unit or Limited Common Element within 60 days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent.

The proposed additions, alterations, and improvements by the Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Developer, 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, subject to the Board's right to perform appropriate maintenance upon the failure of the Unit Owner to do so as provided in Section 7.6.

9. MANAGEMENT AGREEMENT.

9.1 Management Firm.

The Association, through its Board of Directors, may enter into a management agreement with a professional management firm ("Management Firm").

The Association may delegate to the Management Firm certain powers of the Association, not reserved to the Board of Directors under the provisions of the Condominium Act.

9.2 Duties of Management Firm.

Each Unit Owner, his heirs, successors, and assigns, shall be bound by the Management Agreement for the purposes therein expressed, including but not limited to:

(a) Adopting, ratifying, confirming, and consenting to the execution of the Management Agreement by the Association.

(b) Covenanting and promising to perform each and every of the covenants, promises, and undertakings to be performed by Unit Owners as provided in the Management Agreement.

(c) Ratifying, confirming, and approving each and every provision of the Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable.

(d) Agreeing that the persons acting as directors and officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.

### 9.3 Interested Directors.

It is specifically recognized that some or all of the persons comprising the original Board may be stockholders, officers and Directors of the Management Firm, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Management Agreement, in whole or in part.

## 10. INSURANCE.

Insurance shall be carried and kept in force at all times in accordance with the following provisions:

### 10.1 Duty and Authority to Obtain.

The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be purchased for the benefit of the Association and the Unit Owners and their Mortgagees, and all policies of such insurance shall be deposited with and held by the "Insurance Trustee" (as herein identified); provided that a certificate evidencing a mortgagee endorsement shall be issued to the Mortgagee of each Unit. The Unit Owners may, at their own expense, obtain insurance coverage against damage to and loss of the contents of the Unit, including, without limitation, carpeting, wall and ceiling coverings, personal liability for injury to and death of persons and damage to and loss of personal property of others, and against additional living expenses. Provided, however, that each policy of such insurance purchased by a Unit Owner shall, where such provision is available, state that the insurer waives its right of subrogation as to any claim or claims against other Unit Owners, the Association, and their respective employees, agents, guests and invitees.

### 10.2 Required Coverage.

The Association shall purchase and carry casualty insurance covering all of the Buildings and other improvements, including personal property of the Condominium. All hazard policies issued to protect Buildings whenever used in the policy shall include, but shall not necessarily be limited to fixtures, installations, or additions comprising that part of the Building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed or replacements thereof of like, kind or quality in accordance with the original plans and specifications, or as existed at the time the Unit was initially conveyed if the original plans and specifications are not available, excluding therefrom the insuring of floor, wall and ceiling coverings (which may be jointly referred to as "Insured Property") in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the Board of Directors of the Association in accordance with reasonably acceptable appraisal practice. Such insurance shall include or afford protection against:

#### 10.4 Premiums.

Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. The cost of insurance premiums, and other incidental expenses incurred by the Association in administering and carrying out the provisions of this Article, shall be assessed against and collected from Unit Owners as a Common Expense.

#### 10.5 Additional Provisions.

Any policy obtained by the Association must provide for the following, if available:

(a) Recognition of any Insurance Trust Agreements.

(b) Waiver of the right of subrogation against Unit Owners individually.

(c) The policy not being prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively.

(d) The policy being primary in the event that the Unit Owner has other insurance covering the same loss.

(e) The policy not being cancelled or substantially modified without at least 60 days prior written notice to the Association and mortgagee which is listed as a scheduled holder of a first mortgage in the insurance policy.

#### 10.6 Assured.

All policies of insurance obtained and purchased by the Association shall be for the benefit of the Association, the Unit Owners and their Mortgagees, as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the "Insurance Trustee," as herein identified, or to its successor, and the proceeds from insurance against any casualty loss shall be held for the use of the Association, Unit Owners and their respective Mortgagees, as their interests may appear, to be applied or distributed in the manner herein provided. Policies shall contain the standard Mortgage Clause or equivalent endorsement without contribution. The Association is hereby constituted and appointed agent for all Unit Owners and mortgagees, with authority to negotiate and settle the value and extent of any and all losses covered under any policy of casualty insurance, and the Association is granted full right and authority to execute, in favor of any insurer, a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

#### 10.7 Insurer.

All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association, including without limitation Unit Owner(s) and Mortgagees shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

#### 10.8 Insurance Trustee.

The Association shall have the right but no obligation to designate the Insurance Trustee and all persons beneficially interested in such insurance coverage shall be bound by the Association's selection of the Insurance Trustee. If the

Association fails or elects not to appoint such Insurance Trustee, the Association will perform all obligations imposed upon such Trustee by this Declaration. The Insurance Trustee shall be either a bank with trust powers, doing business in the State of Florida, the Board or an attorney who is a member of the Florida Bar. The Insurance Trustee, if a bank or attorney, shall not be liable for the payment of premiums, the renewal of any policy or policies of casualty insurance, the sufficiency of coverage, the form or content of policies, nor for the failure to collect any insurance proceeds. The duties of the Insurance Trustee, if a bank or attorney, shall be to hold such insurance policies as may be placed with it pursuant to Section 10.1 and to receive such proceeds of casualty insurance as are paid and to hold the same in trust for the purposes herein stated, and for the benefit of the Association, Unit Owners and their respective Mortgagees, to be disbursed as herein provided. The Association shall pay a reasonable fee to the Insurance Trustee, if a bank or attorney, for services rendered hereunder and shall pay such costs and expenses as the Insurance Trustee may incur in the performance of its duties hereunder. Such fees and costs to be assessed against and collected from Unit Owners as a Common Expense. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then only for such money as may come into the possession of the Insurance Trustee. If and when the Insurance Trustee is required to distribute insurance proceeds to Unit Owners and their Mortgagees, as their respective interests may appear, the Insurance Trustee, if a bank or attorney, may rely upon a certificate of the President and Secretary of the Association, executed under oath and provided to the Insurance Trustee upon request to the Association, such certificate to certify the name or names of the each Unit Owner(s), the Mortgagee(s) thereof, and the respective percentages of any distribution which is to be made to the Unit Owner(s) and Mortgagee(s), as their respective interests may appear. If and when insurance proceeds are paid to the Insurance Trustee for any casualty loss, the institutional Mortgagee(s) shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of indebtedness secured by such Mortgagee(s), unless the insurance proceeds represent a distribution to the Unit Owners and the Mortgagee(s) thereof, after such insurance proceeds have been first applied to repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the Unit Owner(s), and the Mortgagee(s) thereof by reason of loss of or damage to personal property constituting a part of the Common Elements and as to which a determination is made not to repair, replace or restore such personal property.

#### 10.9 Application of Insurance Proceeds.

The proceeds of casualty insurance paid to the Insurance Trustee by an insurer for loss or damage to real and/or personal property upon which the Association carries insurance, shall be applied and paid as follows:

##### (a) Common Elements Only.

The proceeds paid to the Insurance Trustee for loss of or damage to real property constituting Common Elements only shall be applied to the repair, replacement or reconstruction of such loss or damage. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements, the excess shall be paid by the Insurance Trustee to the Association and such funds shall become part of the Common Surplus of the Association. If the insurance proceeds shall be insufficient to pay the cost of the repair, replacement or reconstruction of such

Common Elements, the Association shall deposit with the Insurance Trustee, from any Association Reserve Fund which may have been established, the difference between the total cost of repairing, replacing or reconstructing such loss or damage and the amount of the insurance proceeds. If no such Association Reserve Fund has been established, or if any such Association Reserve Fund has been established and is insufficient to pay to the Insurance Trustee such difference, the Association shall assess the amount of the difference against, and collect it from, all Unit Owners, as a Common Expense.

(b) Units.

The proceeds paid to the Insurance Trustee for loss of or damage to any portion of the Condominium Building, constituting damage to Common Elements and one or more Units thereof, shall be first applied to the repair, replacement or reconstruction of Common Elements, then to the repair, replacement or reconstruction of any Unit or Units in the Building which have been destroyed or damaged. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements and Units, the excess shall be paid by the Insurance Trustee to the Association and such funds shall become part of the Common Surplus of the Association. If the insurance proceeds shall be sufficient to pay for the repair, replacement or reconstruction of the Common Elements but shall be insufficient to pay the cost of the repair, replacement or reconstruction of the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from, the owner(s) of the Unit(s) damaged or destroyed, in proportion to that the amount of damage sustained to each such Unit bears to the total deficit, and deposit such sum with the Insurance Trustee to be applied by the Insurance Trustee toward the total cost of repairing, replacing or reconstructing all of such damaged or destroyed Common Elements and Units. If the insurance proceeds shall be insufficient to pay the cost of the repairs, replacements, or reconstruction of the Common Elements and the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from all Unit Owners, the total cost of repairing or replacing the Common Elements as a Common Expense. The cost of repairing, replacing or reconstructing the Unit or Units destroyed or damaged shall be assessed by the Association against, and collected from, the owner(s) of such damaged or destroyed Units in proportion that the amount of damage sustained to each Unit bears to the total deficit.

(c) Proceeds of Optional Property Coverage.

If any, proceeds from any damage occasioned solely to Units and/or certain portions or all of the contents thereof not included in Insured Property, as determined by the Association in its sole discretion, (collectively "Optional Property"), are collected by reason of optional insurance which the Association elects to carry thereon, such proceeds shall be held for the benefit of the Unit Owners or Owners other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.

10.10 Deposits to Insurance Trustee After Damage.

Within sixty (60) days after a loss of or damage to Condominium Property covered by casualty insurance, the Association shall obtain estimates of the cost of repairing, replacing or restoring the same, including the cost of professional fees and any construction bond which the Board of

## 12. USE RESTRICTIONS.

In order to provide for congenial occupancy of the Condominium Property and for the protection of the value of the Units, the use of the Condominium Property shall be in accordance with the following provisions so long as the Condominium exists:

### 12.1 Units.

Each Unit shall be used for a single household and for residential non-commercial purposes only. Nothing herein shall be construed to prohibit leasing of the Units, provided that such leases are in compliance with paragraph 12.9 hereof.

### 12.2 Insurance.

No use shall be made of any Unit or of the Common Elements or Limited Common Elements which will increase the rate of insurance upon the Condominium Property without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in cancellation of insurance on any Unit or any part of the Common Elements, or which will be in violation of any law. No waste shall be committed in the Common Elements.

### 12.3 Signs.

No sign of any kind shall be displayed to public view on or from any Unit or the Common Elements without the prior written consent of the Board.

### 12.4 Pets.

Unit Owners are permitted to have not more than one dog (not to exceed 30 pounds) one cat, fish and a reasonable number of small animals, so long as all are bonafide household pets and not kept for commercial purposes; do not make objectionable noises or otherwise constitute a nuisance or inconvenience to any occupants and are kept in compliance with all applicable advances. Pets shall be leashed and restrained at all times when on or about the Condominium Property. Owners shall remove and dispose of all animal waste from the Common Elements. No guest, lessee, or invitee shall bring any animal upon the Condominium Property. Unit Owners maintaining pets on the Condominium Property, or whose guests, lessees, or invitees bring any animal upon the Condominium Property in contravention of these restrictions, shall be responsible for, and bear the expense of, any damage to person or property resulting therefrom. Any such damage shall be determined by the Board and collection by the Association.

### 12.5 Encroachments.

None of the rights and obligations of the Unit Owners created herein or by the deed conveying the Condominium shall be altered in any way by encroachment due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of any such encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor a Unit Owner(s), if encroachment occurred due to the willful conduct of the Unit Owner(s).

### 12.6 Common Elements.

The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units. There shall be no obstruction or alteration of, nor shall

with Section § 718.403 of the Act without the required consent of Unit Owners.

13.5 Rights of Developer to Sell or Lease Units.

So long as Developer, or any mortgagee succeeding Developer in title, shall own any Unit, it shall have the absolute right to lease or sell any such Unit to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests.

13.6 Additional Easements Reserved.

The real property submitted to condominium ownership herewith is subject to conditions, limitations, restrictions, reservation, all matters of record, taxes, applicable zoning ordinances now existing or which may hereafter exist, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility service and drainage now existing or hereafter granted by the Developer for the benefit of such persons as the Developer designates. The Developer shall have the right to grant such easements over and upon the Condominium Property and designate the beneficiary thereof until five years after the recording of the Declaration or until such time as Developer transfers control of the Association to the Unit Owners, whichever shall first occur. Thereafter the Board of Directors shall be empowered to grant such easements on behalf of its Members. During the period of time that Developer has the right to grant the foregoing easements, the consent and approval of the Board of Directors shall not be required. The right to grant the foregoing easements shall be subject to the requirement that the easements not structurally weaken the Condominium building(s) and improvements upon the Condominium Property nor unreasonably interfere with the enjoyment of the Condominium Property by Unit Owners.

14. COMPLIANCE AND DEFAULT.

Each Unit Owner shall be governed by and shall comply with the terms of the Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, and any and all regulations adopted pursuant thereto, as they may be amended from time to time. Failure of the Unit Owner to comply therewith shall entitle the Association or other Unit Owners to the following relief in addition to the remedies provided by the Condominium Act:

14.1 Compliance.

A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, employees, agents, lessees or other invitees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances, or of the Common Elements.

14.2 Remedies.

In the event a Unit Owner or occupant fails to maintain a Unit or the Limited Common Elements appurtenant to the Unit, or fails to cause such Unit or Limited Common Elements to be maintained, or fails to observe and perform all applicable provisions of the Declaration, the Bylaws, the Articles of Incorporation of the Association, applicable or any other agreement, document or instrument affecting the Condominium

#### 15.5 General Operating Reserve.

The Board, when establishing each Annual Budget, may, when deemed necessary or desirable, include therein a sum to be collected and maintained as a general operating reserve to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of Assessments by Unit Owners, as a result of emergencies or for other reason placing financial stress upon the Association. The annual amount allocated to such operating reserve and collected therefor shall not exceed five percent (5%) of the current annual Assessment levied against all Unit Owners. Upon accrual in the operating reserve of an amount equal to but not exceeding twenty-five percent (25%) of the current annual assessment, no further payments shall be collected from the Unit Owners as a contribution to such operating reserve, unless it shall be reduced below the twenty-five percent (25%) level, in which event, the annual Assessment against each Unit Owner and/or Unit shall be increased to restore the operating reserve to an amount which will equal but not exceed twenty-five percent (25%) of the current annual amount of the Assessment.

#### 15.6 Use of Association Funds.

All moneys and assessments collected by the Association shall be treated as the separate property of the Association, and such moneys may be applied by the Association to the payment of the Common Expenses, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles, and Bylaws. As the moneys for Assessments are paid to the Association by any Unit Owner, the same may be co-mingled with moneys paid to the Association by the other owners of Units. Although all funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of Common Elements, including, without limitation, Common Surplus, shall be held for the benefit of the Unit Owners, no Unit Owner shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest in the Association except as an appurtenance to his Unit.

#### 15.7 Special Assessments.

Special Assessments shall be those Assessments other than Assessments described under Section 15.1 assessed equally against all Unit for the purpose of funding any services or acquisitions permitted under the Articles of Incorporation and the Bylaws which are not part of the annual budget or which are necessary due to the occurrence of a disaster or Act of God which is not otherwise covered by insurance.

The specific purpose or purposes of any Special Assessment shall be set forth in a written notice of such Assessment sent or delivered to each Unit Owner. The funds collected pursuant to such approved Special Assessment shall be used only for the specific purposes or purposes set forth in such notice or returned to Unit Owners. However upon completion of such specific purpose or purposes any excess funds shall be considered Common Surplus.

#### 15.8 Delinquency or Default.

The payment of any assessment or installment thereof due to the Association shall be in default if not paid to the Association on or before the due date thereof. If any assessment or installment is not paid by the due date, the Owner and the Unit shall be assessed an automatic late penalty of ten dollars (\$10.00) if not paid within 15 days of the due date or a late

penalty of twenty-five dollars (\$25.00) if not paid within 30 days of the due date. In addition to those sums, assessments and installments thereof not paid within sixty (60) days from the date they are due shall bear interest at the highest lawful rate from the 60th day from due date until paid.

#### 15.9 Developer's Liability for Assessment.

The Developer shall be excused from the payment of the share of the Common Expenses relating to Units it owns for a period of time beginning with the recording of this Declaration and ending no later than the first day of the twelfth calendar month following the month in which the closing of the purchase of the first Condominium Unit occurs or the date on which the Developer transfers control of the Condominium Association to the Owners, whichever first occurs ("Guaranty Period"). During the Guaranty Period, the Developer guarantees that the monthly assessment shall not exceed \$62.00 per month. The Developer shall pay the portion of Common Expenses incurred during that period which exceeds the total amount collected from other Unit Owners at the guaranteed level. No working capital contribution funds shall be used during the period of time during which the Developer is excused from paying assessments for any of the items set forth in the original operating budget.

#### 16. ASSESSMENTS: LIEN AND ENFORCEMENT.

##### 16.1 Lien for Assessment.

The Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Elements or Limited Common Elements subordinate to prior bona fide liens of record, which lien shall and does secure the moneys due for all: (a) Assessments levied against each Unit Owner and his Unit, including maintenance fees, and approved Special Assessments, and (b) costs and expenses, including a reasonable attorney's fee, filing fees and court costs which may be incurred by the Association in collecting and enforcing its lien upon the Unit and its appurtenances. The lien granted to the Association may be established and foreclosed in the Circuit Court in and for the County. Any such enforcement shall be in accordance with the requirements of the Act. No such lien shall continue for a longer period than one (1) year after the claim of lien has been recorded, unless within that time action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all costs as set forth in Subsections (a) and (b) and which may accrue subsequent to recording the claim of lien and prior to entry of a final judgment of foreclosure.

In any suit for the foreclosure of the lien, the Association may be entitled to rental from the Owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for the Unit. The rental required to be paid, if any, shall be equal to the rental charged on comparable types of Units in the County.

##### 16.2 Recording and Priority of Lien.

The lien of the Association shall be effective from and after recording, in the public records of the County, a claim of lien stating the description of the Unit encumbered thereby, the name of the record owner, the amount and the date when due, and shall continue in effect until all sums secured thereby shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above

provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record at the expense of the Unit Owner. The lien of the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording the Association's claim of lien.

#### 16.3 Effect of Foreclosure or Judicial Sale.

In the event that any person, firm or corporation shall acquire title by a purchase at the public sale resulting from a Mortgagee's foreclosure judgment or foreclosure suit in which the Association has been properly named as a defendant junior lienholder or as a result of deed given in lieu of foreclosure, such person, firm or corporation so acquiring title shall only be liable and obligated for Assessments as shall accrue and become due and payable for the Unit and its appurtenant undivided interest in Common Elements subsequent to the date of acquisition of such title, and shall not be liable for the payment of any Assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any Assessment or Assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Unit Owners as a part of the Common Expense, although nothing herein contained shall be construed as releasing the party personally liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

#### 16.4 Effect of Voluntary Transfer.

When Unit Owner proposes to sell or mortgage his Unit in compliance with other provisions of this Declaration, the Association, upon written request of the Unit Owner, shall within fifteen days thereof furnish to the Unit Owner, proposed purchaser or Mortgagee, a statement verifying the status of payment of any Assessment which shall be due and payable to the Association by the Unit. Such statement shall be executed by any officer of the Association and any purchaser or Mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Unit is to be sold or mortgaged at the time when payment of any Assessment against the Unit Owner and Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the proceeds of such sale or mortgage proceeds, as the case may be, shall be applied by the purchaser or Mortgagee first to payment of any then delinquent assessment or installment thereof due to the Association before payment of the balance of such proceeds of sale or mortgage to the Unit Owner responsible for payment of such delinquent Assessment.

In any voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor made prior to the transfer of title, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

#### 16.5 No Election of Remedies.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent Assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by

foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it.

## 17. TERMINATION.

The Condominium may be terminated in the following manner, in addition to the manner provided by the Condominium Act:

### 17.1 Destruction.

In the event it is determined, in the manner elsewhere herein provided, that the Improvements shall not be reconstructed because of total destruction, major damage, or condemnation, the condominium plan of ownership will be thereby terminated without further agreement.

### 17.2 Agreement.

The Condominium may be terminated at any time by the approval in writing of all of the owners of the Condominium and by all Mortgagees. If the proposed termination is submitted to a meeting of the Unit Owners, the notice of which meeting gives notice of the proposed termination, and if there is not unanimous approval but there is the approval of not less than seventy-five percent (75%) of the Voting Interests and one hundred percent (100%) of Mortgagees are obtained not later than thirty (30) days from the date of such meeting, then the approving Owners shall have an option to buy all of the Units of the other Unit Owners for the period ending on the sixtieth (60th) day from the date of such meeting. Such option shall be upon the following terms:

#### (a) Exercise of Option.

X The option shall be exercised by delivering or mailing by certified mail to each of the Unit Owners to be purchased an agreement to purchase signed by the Unit Owners who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating Unit Owner and shall agree to purchase all of the Units owned by Unit Owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser and may be conditioned upon acceptance by all non-participating Unit Owners.

#### (b) Price.

The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it 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; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

#### (c) Payment.

The purchase price shall be paid in full in cash or may include assumption of any existing mortgage financing, if permitted, plus cash.

#### (d) Closing.

The sale shall be closed within thirty (30) days following the determination of the sale price.

### 17.3 Certificate.

The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of the County.

### 17.4 Shares of Owners After Termination.

After termination of the Condominium, the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective Mortgagees shall have mortgages upon the respective undivided shares of the Unit Owners. The value of the undivided shares after termination shall be as the Unit Owners determine or as may be determined by a Court.

### 17.5 Amendment.

This Article cannot be amended without consent of all Unit Owners and of all Mortgagees.

## 18. CONDEMNATION.

### 18.1 General.

Whenever all or any part of the Common Elements shall be taken by any authority having the power of condemnation or eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association if such award amounts to less than One Hundred Thousand Dollars (\$100,000.00) and to the Insurance Trustee if such award amounts to One Hundred Thousand Dollars (\$100,000.00) or more. Unless otherwise provided by law at the time of such taking, any award made therefor shall be disbursed by the Association or the Insurance Trustee, as the case may be, as hereinafter provided in Article 11.

### 18.2 Units.

If the taking includes one or more Units, or any part or parts thereof, whether or not there is included in the taking any part of the Common Elements, then the award shall be disbursed as provided by law. All related matters, including without limitation alteration of the percentages of undivided interest of the Owners in the Common Elements, shall be handled pursuant to and in accordance with the consent of Owners as required by this Declaration (or such lesser number of Owners as may then be prescribed by the Condominium Act for the purpose of altering the percentages of undivided interest of the Owners in the Common Elements) expressed in a duly recorded amendment to this Declaration. In the event that such an amendment shall not be recorded within 90 days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Article 11, whereupon the development may be terminated in the manner herein prescribed.

## 19. RIGHTS OF MORTGAGEES.

### 19.1 Mortgagees' Right to Information.

Any Mortgagee of a Condominium Parcel who makes a request in writing to the Association for the items provided in this section shall have the following rights:

(a) To be furnished with at least one (1) copy of the annual financial statement and report of the Association.

(b) To be given written notice by the Association of the call of a meeting to be held for the purpose of considering any proposed amendment to this Declaration of Condominium, or the Articles of Incorporation and Bylaws of Association, which notices shall state the nature of the amendment being proposed.

(c) To be given notice of default (if such default remains uncured for 30 or more days) by Unit Owner owning any Unit encumbered by a mortgage held by such Mortgagee, such notice to be given in writing and to be sent to the principal office of such Mortgagee or to the place which it or they may designate in writing to the Association.

(d) To be given an endorsement to the insurance policies covering the Common Elements requiring that such Mortgagee be given any notice of cancellation provided for in such policy.

(e) To examine the books and records of the Association upon reasonable notice during ordinary working hours.

(f) To obtain current copies of the Declaration, By-Laws and other rules concerning the project.

(g) To obtain written notice of any condemnation loss, eminent domain procedures or any casualty loss which affects a material portion of the Condominium or any Unit upon which such Mortgagee has a mortgage.

(h) To obtain notice of any lapse, cancellation or material modification of any fidelity bond maintained by the Association.

## **19.2 Mortgagees' Rights to Consent.**

Except as shall be elsewhere provided herein, unless Mortgagees having loans secured by Units to which 75% of the Common Elements are appurtenant have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon owned directly or indirectly by the Association. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Condominium Property shall not be deemed a transfer within the meaning of this clause;

(b) change the method of determining the obligations, assessments, dues or other charges which may be assessed against any Units by the Association;

(c) by act or omission change, waive or abandon the regulations or enforcement thereof contained in this Declaration pertaining to the architectural design or the exterior appearance of Units.

## **19.3 Mortgagees' Right to Reimbursement.**

In the event the Association fails to pay, when due, taxes assessed against the Common Elements or premiums of

insurance covering the improvements on the Common Elements, then any one or more of the Mortgagees may pay such taxes or insurance premiums, and the Association shall be obligated to reimburse such Mortgagee or Mortgagees for such payments, and until paid, the same shall constitute a lien upon the Common Elements in favor of the party or parties, entity or entities, paying same, which lien may be enforced in a court of competent jurisdiction of the State of Florida in the same manner as a judgment lien may be enforced.

#### 19.4 Registry of Owners and Mortgagees.

The Association shall endeavor at all times to maintain a register of the names of the Owners and Mortgagees of all Units. Upon the transfer of title to any Unit, the transferee shall notify the Association in writing of his interest in such Unit together with recording information identifying the instrument by which such transferee acquired his interest in the Unit. The Owner of each Unit encumbered by a mortgage shall notify the Association of the name and address of the Mortgagee, the amount of such mortgage, or mortgages, and the recording information identifying the same. A Mortgage may notify the Association of any such mortgage(s), and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

#### 20. SUBSEQUENT PHASES.

##### 20.1 Additional Land and Improvements.

Developer reserves the right, in its sole discretion, at any time from the date of recording of this Declaration in the public records of the County until five (5) years thereafter, to declare and submit additional lands and improvements located thereon to the condominium form of ownership under this Declaration by recording an amendment hereto in compliance with the Act. The additional land which may be submitted to the condominium form of ownership is described as Subsequent Phases and proposed development land on Exhibit A-1 attached hereto and made a part hereof. The Developer reserves the right to modify the legal descriptions of the phases in a non-adverse fashion to accommodate the Buildings as built; provided, however, when taken together, the legal descriptions of the phases shall equal the overall boundary set forth in Exhibit A-1.

The proposed buildings and unit types shown on Exhibit C represent the Developer's present plans in connection with the development of the Subsequent Phases. Provided, however, the Developer reserves the right to make such changes as hereinafter provided without further consent or approval of Unit Owners.

Each of the Subsequent Phases, if declared, will be submitted to condominium ownership as a part of the Condominium by recording in the public records of the County, an amendment to this Declaration in accordance with the Act and executed and acknowledged by the Developer and any Mortgagee holding a security interest in the land to be subjected as a Subsequent Phase, or the successors and assigns. Upon recordation of the amendment, the undivided shares of Common Elements, Common Expenses and Common Surplus shall be adjusted automatically in accordance with Exhibit B hereof.

In the event that the Developer determines not to add any or all of the Subsequent Phases, the Developer shall give notice to the owners of the existing Units of the decision not to add any or all Subsequent Phases. The notice shall be sent by certified mail addressed to each Unit Owner at the address of his Unit or his last known address. In the event that any Subsequent Phases are completed at or about the same time, Developer reserves

the right to amend the amendments to this Declaration to include both phases as a part of this Declaration. Developer hereby expressly reserves the right to grant an easement over the roadways contained within the Condominium Property which easements may be granted to the owners of the property described in Exhibit A-1 as Subsequent Phase Land. Provided, however, if Developer or its successors and assigns develop the land described on Exhibit A-1 and such development is not subject to this Declaration, prior to granting an easement for ingress and egress over the roadways within the Condominium Property, the Developer shall require that the beneficiaries of the easement contribute a pro rata share of the cost of the maintenance for the roadway easement, the payment for which shall be enforceable by a lien right.

#### 20.2 Graphic Depiction of Improvements for Subsequent Phases.

The plot plan included in Exhibit C is as the improvements are presently proposed to be constructed. The Developer reserves the right to move the location of the buildings, within a phase or between phases, to add or delete buildings, to add or delete Units, to add new unit types and to delete existing Unit types or carports from Subsequent Phases. Provided, however, the total number of Units in the Condominium shall be no less than 22 units nor greater than 200 and the square footage contained within such Units shall be no less than 750 square feet nor greater than 2000 square feet. Each phase shall consist of a maximum of three (3) buildings and each building shall contain no less than six (6) Units or more than twelve (12) units. At the present time the number of buildings and the minimum and maximum number of units for each phase is anticipated to be as follows:

| Phase | No. of Buildings | Minimum/Maximum No. of Units |
|-------|------------------|------------------------------|
| II    | 3                | 20-24                        |
| III   | 3                | 18-22                        |
| IV    | 3                | 26-32                        |
| V     | 3                | 28-36                        |
| VI    | 2                | 13-17                        |
| VII   | 3                | 18-22                        |
| VII   | 3                | 18-22                        |

#### 20.3 Changes in Ownership of Common Elements and Expenses.

Upon the addition of any Subsequent Phase, the share of ownership of Common Elements, Common Expenses and Common Surplus will decrease; however, all Units shall have an equal share of ownership. The share of ownership for each Unit will be a fraction, the numerator of which is "1" and the denominator of which is the number of Units subject to the Declaration.

#### 20.4 Additional Facilities.

Upon the addition of any Subsequent Phase, the Residential Buildings, appurtenant landscaped areas, sidewalks and roadways will be constructed. The Developer has reserved the right to construct a 20 foot by 40 foot swimming pool with a deck and restroom facility in connection with the construction of Phase V of the Condominium and to construct "tot lots" in connection with Phases III, IV and VII of the Condominium.

#### 20.5 Voting Rights.

In the event that any Subsequent Phase is submitted to this Declaration, each Unit Owner shall be entitled to membership in the Association. Each Unit shall be entitled to one Voting Interest to be cast in Association matters. The total number of Voting Interests shall equal the total number of Units.

## 20.6 Time Share Estates.

There will be no time share estates in Subsequent Phases.

## 20.7 Proviso.

Nothing contained herein shall be deemed to require the Developer to submit any or all the land contained in the Subsequent Phases or any portion thereof to condominium ownership under this Declaration nor to require that the Association be the entity responsible for its operation.

Nothing contained herein either in this Declaration or any term or provision hereof shall constitute a defect, encumbrance, or a lien upon the title of any portion of the property described in Exhibit A-1. This Declaration and the exhibits attached hereto are intended only to reserve certain rights to the Developer and its successors or assigns as the owner of such property.

## 21. LAKE AND WATER RIGHTS

### 21.1 Ownership of Lakes.

The Condominium is adjacent to a lake which serves as a stormwater retention facility for the Condominium as well as certain adjacent parcels of land. All rights and obligations in connection thereto are set forth in the Declaration of Drainage Easement recorded in Official Records Volume 6057, page 2012 and Supplemental Declaration of Drainage Easement and Lake Maintenance Agreement to be recorded in the public records of Duval County, Florida.

Pursuant to the terms of the foregoing the Unit Owners through the Association are obligated to pay a pro-rata share of the cost of maintenance of the lake.

## 22. MISCELLANEOUS.

### 22.1 Severability.

The invalidity in whole or in part of any covenant or restriction, or any Article, subarticle, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Articles of Incorporation, Bylaws and regulations of the Association shall not affect the validity of the remaining portions thereof.

### 22.2 Applicability of Declaration of Condominium.

All present or future owners, lessees, tenants, or any other person who might use the facilities of the Condominium Property in any manner, are subject to the provisions of this Declaration, and the mere acquisition or rental of any Unit, or mere act of occupancy of any Unit, shall signify that the provisions of this Declaration of Condominium are accepted and ratified in all respects.

### 22.3 Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership; the Florida Condominium Act, as amended, is hereby adopted and made a part hereof. In the event of any conflict between the provisions of this Declaration and the Condominium Act, the provisions of the Condominium Act shall prevail.

22.4 Parties Bound.

The restrictions and burdens imposed by this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in Common Elements and this Declaration shall be binding upon Developer, its successors and assigns, and upon all parties who may subsequently become owners of Units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

22.5 Attorneys Fees and Costs.

In the event that the Association or any person authorized by this Declaration brings an action to enforce the provision of this Declaration, the prevailing party shall be entitled to receive reasonable attorney's fees and costs.

IN WITNESS WHEREOF, Developer has caused the foregoing Declaration of Condominium to be executed, and its corporate seal to be affixed, by its undersigned, duly authorized officer on the date set forth above.

Signed, sealed and delivered  
in the presence of:

DEERFIELD LAKES ASSOCIATES,  
LTD., a Florida limited  
partnership  
By: Mayport Beach  
Development, Inc., its  
general partner

*Robert L. Davis*  
*Marie Sanger*

By *Mayport Beach*  
Its *Inc.* President

(CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF DUVAL

15th day of April, 1987, by *Mayport Beach*, the  
President of Mayport Beach Development, Inc., a Florida  
corporation, general partner of Deerfield Lakes Associates, Ltd.,  
a Florida limited partnership, on behalf of the partnership.

*Willie S. [Signature]*  
Notary Public, State of Florida

My Commission Expires:

CONSENT AND JOINDER OF MORTGAGEE

Florida National Bank ("Mortgagee") is the mortgagee under Mortgage ("Mortgage") recorded in the public records of Duval County, Florida in Official Records Volume 6208, page 1485, as modified by Future Advance Notice and Mortgage Modification recorded under Clerk's No. 86-140131 in the public records of Duval County, Florida ("Mortgage"), Mortgagee joins in this Declaration of Condominium of Deerfield Lakes, A Condominium dated January 15<sup>th</sup> 1987, to evidence its consent and joinder to the provisions hereof and its intent that its security interests be subordinated hereto. Mortgagee hereby agrees that such security interests are subordinate and inferior to this Declaration of Condominium.

Signed, sealed and delivered  
in the presence of:

William J. Van  
Francis D. Regg

FLORIDA NATIONAL BANK

BY: Kenneth N. Gabriel  
Its VICE President

(Corporate Seal)

STATE OF FLORIDA

COUNTY OF DUVAL

9<sup>th</sup> The foregoing instrument was acknowledged before me this  
day of January, 1987, by Kenneth N. Gabriel, as  
President of Florida National Bank, a national banking  
association, on behalf of the bank.

Francis D. Regg  
Notary Public, State of Florida

My Commission Expires:  
NOTARY PUBLIC, STATE OF FLORIDA  
My commission expires Jan. 19, 1990

CONSENT AND JOINDER OF MORTGAGEES

Mayport Beach Development, Inc., a Florida corporation, Richard R. Turney, Gary L. Bryenton, Diana A. Perkinson, David J. Strauss, James B. Griswold, Y&R Partners, an Ohio general partnership, David R. Fullmer, Peter W. Danford, William E. Atkinson, Bruce O. Baumgartner, Richard H. Bamberger, Kelly Island, Inc., a Colorado corporation, and Pieter J. Von Herrmann (jointly referred to as "Mortgagees") are the owners and holders of that certain mortgage recorded in Official Records Volume 6137, page 578 of the public records of Duval County, Florida, Mortgagees join in this Declaration of Condominium of Deerfield Lakes, A Condominium dated January 15<sup>th</sup> 1987, to evidence their consent and joinder to the provisions hereof and their intent that their security interests be subordinated hereto. Mortgagees hereby agree that such security interests are subordinate and inferior to this Declaration of Condominium.

Signed, sealed and delivered  
in the presence of:

[Signature]  
Maurice F. Shave  
As to Mayport Beach Development, Inc.

MAYPORT BEACH DEVELOPMENT, INC.

By [Signature] (SEAL)  
Maurice F. Shave  
(President)

[Signature]  
Maurice F. Shave  
As to Richard R. Turney

RICHARD R. TURNER (SEAL)

By [Signature] (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

[Signature]  
Maurice F. Shave  
As to Gary L. Bryenton

GARY L. BRYENTON (SEAL)

By [Signature] (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

[Signature]  
Maurice F. Shave  
As to Diana A. Perkinson

DIANA A. PERKINSON (SEAL)

By [Signature] (SEAL)  
Maurice F. Shave, her attorney-in-fact as aforesaid

[Signature]  
Maurice F. Shave  
As to David J. Strauss

DAVID J. STRAUSS (SEAL)

By [Signature] (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

[Signature]  
Maurice F. Shave  
As to James B. Griswold

JAMES B. GRISWOLD (SEAL)

By [Signature] (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

Maurice F. Shave  
Maurice F. Shave  
As to Y&R Partners

Y&R PARTNERS, an Ohio general partnership

By Maurice F. Shave (SEAL)  
Maurice F. Shave, its attorney-in-fact as aforesaid

Maurice F. Shave  
Maurice F. Shave  
As to David R. Fullmer

DAVID R. FULLMER (SEAL)

By Maurice F. Shave (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

Maurice F. Shave  
Maurice F. Shave  
As to Peter W. Danford

PETER W. DANFORD (SEAL)

By Maurice F. Shave (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

Maurice F. Shave  
Maurice F. Shave  
As to William E. Atkinson

WILLIAM E. ATKINSON (SEAL)

By Maurice F. Shave (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

Maurice F. Shave  
Maurice F. Shave  
As to Bruce O. Baumgartner

BRUCE O. BAUMGARTNER (SEAL)

By Maurice F. Shave (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

Maurice F. Shave  
Maurice F. Shave  
As to Richard H. Bamberger

RICHARD H. BAMBERGER (SEAL)

By Maurice F. Shave (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

Maurice F. Shave  
Maurice F. Shave  
As to Kelly Island, Inc.

KELLY ISLAND, INC., a Colorado corporation

By Maurice F. Shave (SEAL)  
Maurice F. Shave, its attorney-in-fact as aforesaid

Maurice F. Shave  
Maurice F. Shave  
As to Pieter J. Von Herrmann

PIETER J. VON HERRMANN (SEAL)

By Maurice F. Shave (SEAL)  
Maurice F. Shave, his attorney-in-fact as aforesaid

STATE OF Florida

COUNTY OF Duval

15th The foregoing instrument was acknowledged before me this day of January, 1987, by Maurice F. Shave, as President of Mayport Beach Development, Inc., a Florida corporation, on behalf of the corporation, and as attorney-in-fact for Richard R. Turney, Gary L. Bryenton, Diana A. Perkinson, David J. Strauss, James B. Griswold, Y&R Partners, an Ohio general partnership, David R.

Fullmer, Peter W. Danford, William E. Atkinson, Bruce O. Baumgartner, Richard H. Bamberger, Kelly Island, Inc, a Colorado corporation, and Pieter J. Von Herrmann, pursuant to the powers of attorney recorded under Clerk's File Numbers 86-86320 through 86-68334 of the public records of Duval County, Florida.

*[Signature]*  
Notary Public, State of Florida

My Commission Expires:

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF DUVAL

Before me this day personally appeared Maurice F. Shave, who, after being by me duly sworn, deposed and said that he is the attorney-in-fact for Richard R. Turney, Gary L. Bryenton, Diana H. Perkinson, David J. Strauss, James B. Griswold, Y&R Partners, an Ohio general partnership, David R. Fullmer, Peter W. Danford, William E. Atkinson, Bruce O. Baumgartner, Richard H. Bamberger, Kelly Island, Inc., a Colorado corporation, and Pieter J. Von Herrmann and executed the foregoing Consent of Mortgagee as said attorney-in-fact by virtue of the power given to him by fifteen separate powers of attorney executed in May 1986 by or on behalf of each of those persons and entities and recorded in the current public records of Duval County, Florida, under Clerk's File Nos. 86-68320 through 86-68334. At the time of executing said Consent as such attorney-in-fact, he has not received actual knowledge or notice of the death of any of the persons who executed the aforesaid powers of attorney or notice of any fact indicating the death of any of those persons. This affidavit is made simultaneously with the execution and delivery of said Consent.

*[Signature]*  
Maurice F. Shave

(SEAL)

Sworn to and subscribed  
before me this 15<sup>th</sup> day  
of January, 1987.

*[Signature]*  
Notary Public, State of Florida

My Commission Expires:

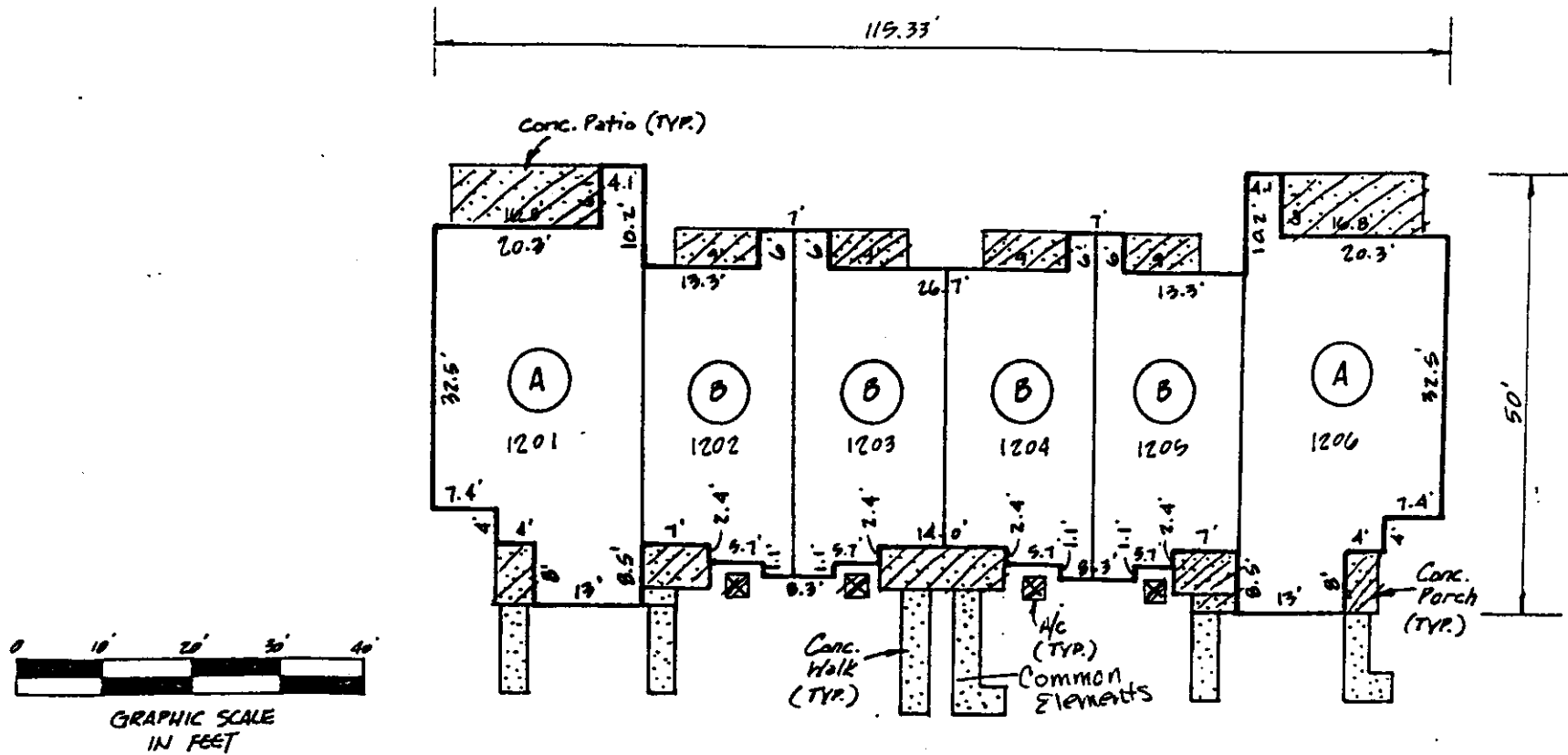
# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

## GENERAL NOTES

1. Improvements shown are proposed. EXCEPT BUILDINGS 12, 13 & 14 WHICH ARE AS-BUILT.
2. P Denotes unassigned parking.
3.  Denotes limited common area.
4.  Denotes common area not a part of unit.
5. (A) Denotes unit type.
6.  Denotes building number.
7. Those ceilings elevations referred to hereon are the elevations of a horizontal plane projected across the condominium unit; however, those units having cathedral type ceilings, the space above this horizontal plane and below the underside of the finish surface of the vaulted ceiling is a part of the condominium unit.
8. Interior room dimensions subject to normal construction variances and tolerances.

DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

Sq. Ft  
Unit type A - Ranch 936  
B - Concord 1,109



BUILDING N° : 12

EXHIBIT "F"

BYLAWS

OF

DEERFIELD LAKES  
CONDOMINIUM ASSOCIATION, INC.

a Florida Corporation Not for Profit

I. IDENTITY.

A. Applicability. These are the Bylaws of DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC. (the "Association"), a Florida corporation not for profit organized pursuant to the provisions of Chapters 617 and 718, Florida Statutes, 1985, as amended to the date of filing of the Articles of Incorporation. The purpose and object of the Association shall be to administer the operation and management of Deerfield Lakes, a Condominium, which shall be established in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes, 1985 ("Act"), upon certain real property in Duval County, Florida ("County").

B. Office. The office of the Association shall be at 791 Assisi Lane, Atlantic Beach, FL 32233, or at such other place as may be established by resolution of the Board of Directors.

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

D. Seal. The seal of the Association shall bear the name of Deerfield Lakes Condominium Association, Inc., the word "Florida", the words "Corporation Not For Profit", and the year of incorporation. An impression of the seal is as follows:

II. MEMBERSHIP, VOTING, QUORUM, PROXIES.

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

B. Quorum. A quorum at meetings of Members shall consist of persons entitled to cast a majority of the Voting Interests whether in person or by proxy.

C. Voting. The Voting Interest of the owner(s) of a Unit in the Condominium owned by more than one natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit in a Voting Certificate as the holder of the Voting Interest. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person, a partnership, or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by Voting Certificate acceptable to the Association, designate one natural person as the holder of the Voting Interest. The Voting Certificate shall be filed with the Association, and the person so designated shall be and remain the holder of the Voting Interest of the Unit until such designation has been

revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The holder of the Voting Interest of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the Voting Interest of the Unit at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

D. Approval. Evidence of the approval or disapproval of the holder of the Voting Interest upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the Voting Interest if in an Association meeting.

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

F. Proxies. At any meeting of the Members every holder of a Voting Interest having the right to vote shall be entitled to vote in person or by proxy, provided that, no person shall be designated to hold more than ten (10) proxies. Any proxy given shall contain the date, time and place of the meeting for which the proxy is given and if a limited proxy shall set forth those items for which the holder of the proxy may vote and the manner in which the vote is to be cast and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. The proxy shall set forth the name of the person voting by proxy and the name of the person authorized to vote the proxy for him. All such proxies shall be filed with the Secretary prior to or during the roll call of such meeting. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the holder of the Voting Interest executing it.

G. Consent to Action. To the extent permitted by law, any action on any matter to be taken by the Association may be taken by written consent without meetings, setting forth the action so taken, approved by Members holding not less than the minimum number of Voting Interests necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voting.

### III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

A. Annual Meeting. The annual meeting of the Members shall be held at the office of the Association or such other place in Florida and at such time as may be specified in the notice of the meeting, on the first Tuesday of November of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, or if the Board shall determine in its best judgment that another day would be more convenient, the meeting shall be held on the same day at the same hour in the next succeeding week or at such other time as the Board may deem convenient.

B. Special Meetings. Special meetings of the entire membership of the Association shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors and must be called by such officers upon

receipt of a written request from Members entitled to cast ten (10%) percent of the Voting Interests.

C. Notice of Meetings.

1. Generally. Written notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member unless waived in writing. Each notice shall state the time and place of and purpose for which the meeting is called and shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) days prior to the meeting.

2. Annual. Notice of the Annual Meeting shall be given to each Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed to each Member unless the right is waived in writing. Such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. An officer of the Association shall provide an affidavit to be included in the Official Records of the Association affirming that the notices of the Association meeting were mailed or hand delivered in accordance with the requirements of this section. If a Member waives, in writing, the right to receive notice of the Annual Meeting by mail, such notice may be delivered personally to such Member. If delivered personally, receipt of notice shall be signed by the Member, indicating the date received. Each notice shall, in addition, be posted at a conspicuous place in the Condominium at least fourteen (14) days prior to the meeting.

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

4. Waiver. Any Member may waive notice of any meeting if allowed by the applicable Bylaws or Declaration.

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

D. Presiding Officer and Minutes. At meetings of Members, the President, or in his absence, the Vice President, shall preside, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a businesslike manner and available for inspection by Directors, Members and their authorized representatives.

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

- (1) Calling of the roll and certifying of proxies
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading or waiver of reading of minutes of previous meeting of Members

- (4) Reports of officers
- (5) Reports of committees
- (6) Appointment by Chairman of inspectors of election
- (7) Election of Directors
- (8) Unfinished business
- (9) New business
- (10) Adjournment

#### IV. BOARD OF DIRECTORS

A. Members of Board. The first Board of Directors shall consist of not less than three (3) persons as designated in the Articles of Incorporation. The number of Directors may be increased by a vote of the Members in the same manner as any other amendment to these Bylaws. Pursuant to the Declaration of Condominium, Deerfield Lakes Associates, Ltd. ("Developer") reserves the right to appoint Directors to the Board as set forth herein.

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

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

(2) For so long as the Developer shall retain the right to appoint at least one member of the Board of Directors, all members of the Board of Directors whom Developer shall not be entitled to appoint under these Bylaws shall be elected at large, by a plurality of the Voting Interests cast at the annual meeting of the general membership, immediately following designation of the members of the Board whom Developer shall be entitled to appoint. Commencing with the first annual election of Directors after the Developer shall have lost or relinquished the right to appoint at least one Director, the Members shall elect all the Directors, by a plurality of the Voting Interests cast at the annual meeting of the general membership.

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

(4) Until such time as the Members are entitled to elect all of the Directors, each Director shall serve for one year until the next annual meeting or such other time as

his successor is elected. At the first annual meeting at which the Members are entitled to elect all of the members of the Board of Directors, the person receiving the most voting interests shall be designated as a two-year term director and the others shall be for one year. The intent hereof is to stagger the terms of the directorships so that there shall be some Members of the Board with prior experience.

(5) In the election of Directors, there shall be appurtenant to each Unit one (1) Voting Interest for each Director to be elected. Provided, however, that no Member may cast more than one Voting Interest for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.

(6) Within sixty (60) days after Members other than the Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall, in accordance with the provisions of these Bylaws, call in a manner as elsewhere provided in these Bylaws, and give not less than fourteen (14) days nor more than forty (40) days notice of a meeting of the Members for this purpose. Such meeting may be called and the notice given by any Member if the Association fails to do so within the time prescribed herein. Election of such Directors shall be conducted in the manner provided in these Bylaws.

(7) In the event that Developer selects any person or persons to serve on the Board, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. Organizational Board Meeting. The organizational meeting of a newly elected or designated Board shall be held within fifteen (15) days of their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary; provided, that a quorum shall be present.

D. Regular Board Meeting. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

E. Special Meeting. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than three (3) days' notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting, unless notice is waived. Notice of any meeting where assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

F. Board Minutes. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for

inspection by Members and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven years.

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

H. Quorum. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute of quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

A Director who is present at a meeting of the Board at which action or any corporate matter is taken, shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

I. Notice to Members. Meetings of the Board of Directors shall be open to all Members and notices of meetings shall be posted conspicuously in the Condominium forty-eight (48) hours in advance for the attention of Members, except in an emergency. Notice of any meeting where assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

J. Action without a Meeting. To the extent now or from time to time hereafter permitted by the laws of Florida, the Board may take any action which they might take at a meeting of the Board without a meeting; provided, that a record of all such actions so taken, signed by each Director, shall be filed and retained in the minute book of the Association.

K. Removal and Recall. Directors may be removed from office in the manner provided by law for the removal of Directors of Florida corporation, not for profit. In addition, a Director may be recalled in accordance with the provisions of the Condominium Act.

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

M. Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of Florida, the Articles, these Bylaws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Declaration, and shall include, without limitation, the right, power and authority to:

(1) Make, levy and collect assessments, including without limitation assessments for reserves and for betterments to Condominium and/or Association property, against Members and Members' Units to defray the costs of the Condominium, and the property owned by the Association and use the proceeds of assessments in the exercise of the powers and duties of the Association;

(2) Maintain, repair, replace, operate and manage the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of Members;

(3) Repair and reconstruct improvements after casualty;

(4) Make and amend regulations governing the use of the property, real and personal, in the Condominium provided, that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration;

(5) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, grant easements over and otherwise trade and deal with property, real and personal, including Units, of and in the Condominium, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration and Articles;

(6) Contract for the management and maintenance of the Condominium Property and authorize a management agent to assist the Association in carrying out its powers and duties, including but not limited to the performance of 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 and powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, and the promulgation of rules.

(7) Enforce by legal means the provisions of the Articles, these Bylaws, the Declaration and all regulations governing use of property of and in the Condominium now existing or hereafter adopted.

(8) Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and assess the same against the Members and their respective Units subject to such liens.

(9) Carry insurance for the protection of Members and the Association against casualty and liability, including Directors' liability insurance.

(10) Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the Members individually.

(11) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

(12) Obtain such fidelity or other bonds as the Directors may deem necessary and convenient in the handling of daily affairs of the Association.

## V. OFFICERS.

A. Generally. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board.

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

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

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

E. Treasurer. The Treasurer shall have custody of all of the property of the Association including funds, securities and evidence of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association, in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

F. Compensation. No compensation shall be paid to any officer of the Association except with the approval of a majority of the Voting Interests. No officer who is appointed by the Developer shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer of the Association may be stockholder, officer, director or employee, for the management of the Condominium for such compensation as shall be mutually

agreed between the Board and such officer, director or corporation, or from contracting with a director or officer of the corporation may be a stockholder, officer, director or employee for the purpose of making available to the owners of condominium units such services as are contemplated by the provisions of Article IV of these Bylaws. It is expressly contemplated that the first Board of Directors may enter into such contracts with persons who are initial officers or directors of the Association, or with corporations having officers, directors or employees who are also members of the first Board of Directors of the Association.

#### VI. FISCAL MANAGEMENT.

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

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

B. Annual Budget. The Board shall adopt, for, and in advance of, each fiscal year, a budget for the Condominium showing the estimated costs of performing all of the functions of the Association as to such Condominium for the year. The budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and any reserve accounts and/or funds which may be established from time to time by the Board. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the Members and due date(s) and amounts of installments thereof. Copies of the proposed budgets and proposed assessments shall be transmitted to each member at least fourteen (14) days prior to the meeting of the Board of Directors at which the budgets will be considered, together with a notice of the time, place and agenda of the meeting, which shall be open to Members. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

C. Increased Budget. If a budget is adopted by the Board which requires assessment of the Members in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Voting Interests, a special meeting of the Members shall be held upon not less than ten (10) days written notice to each Member, but within thirty (30) days of the delivery of such application to the Board or any member thereof. At the special meeting, Members may consider and enact only a revision of the

budget, or recall any and all members of the Board and elect their successors subject, however, to the right of Developer to elect Directors as provided in Article IV. Any such revision of the budget or recall of any and all members of the Board shall require a vote of not less than fifty-one percent (51%) of all the Voting Interests. The Board may in any event first propose a budget to the Members at any such meeting of Members or by writing, and if such budget or proposed budget be approved by a majority of all the Voting Interests, either at such meeting or by writing, such budget shall not thereafter be reexamined by the Members in the manner hereinabove set forth nor shall any and all members of the Board be recalled under the terms hereof. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board shall go into effect as scheduled.

D. Capital Expenditures. In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded from the computation any amounts for reasonable reserves made by the Board in respect of repair and replacement of Condominium or Association property, or in respect of anticipated expenses by 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 betterments to the Condominium or Association property. Provided, however, that so long as Developer is in control of the Board of Directors the Board shall not impose an assessment for a budget year greater than 115% of the prior budget year's assessment without approval of a majority of all the Voting Interests.

E. Notice of Adopted Budgets. Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to all Members. Assessments shall be made against Members pursuant to procedures established by the Board, and in accordance with the terms of the Declaration and Articles. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

F. Assessments. Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each month, but in no event shall amounts be payable less often than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

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

H. The Depository. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association.

I. Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors.

J. Fidelity Bonds. Fidelity bonds shall be required for the Board and any persons handling or responsible for Association funds as the Board of Directors shall direct in an amount to be determined by the Board based upon its best business judgment. The premiums of said bonds shall be paid by the Association.

#### VII. PARLIAMENTARY RULES.

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

#### VIII. ARBITRATION.

In the event that disputes or disagreements arise among Members, this Association or their agents and assigns in connection with the operation of the Condominium, the parties may submit such disputes or disagreements to voluntary binding arbitration. The Division of Florida Land Sales and Condominiums of the Department of Business Regulation shall employ full-time arbitrators to conduct the binding arbitration hearings. The arbitration shall be conducted in accordance with the rules of procedure promulgated by the Division. The decision of such arbitrator shall be final. However, such decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose the parties from proceeding in a trial de novo, and if such judicial proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence. Any party may seek enforcement of the final decision of the arbitrator in a court of competent jurisdiction.

#### IX. ASSOCIATION RECORDS.

From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association, which records shall be maintained in the County and shall be open to inspection by any Member or the authorized representative of such Member at all reasonable times who shall have the right to make such copies as may be requested at the member's cost;

(1) The plans, permits, warranties, and other items provided by the Developer;

(2) A photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments thereto;

(3) A photocopy of the recorded bylaws of the association and all amendments thereto;

(4) A certified copy of the articles of incorporation of the Association or other documents creating the Association and all amendments thereto;

(5) A copy of the current rules of the Association;

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

(7) A current roster of all Members, their mailing addresses, Unit identifications, voting certifications, and if known, telephone numbers;

(8) All current insurance policies of the Association and condominiums operated by the Association;

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

(10) Bills of sale or transfer for all property owned by the Association;

(11) Accounting records for the Association and separate accounting records for each condominium it operates, according to good accounting practices. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but are not limited to:

a. Accurate, itemized, and detailed records of all receipts and expenditures.

b. A current account and monthly, bimonthly, or quarterly statements of the account for each Unit designating the name of the Member, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

c. All audits, reviews, accounting statements, and financial reports of the Association or Condominium.

d. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of 1 year;

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

#### X. AMENDMENTS TO BYLAWS.

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

A. Proposal. Amendments to these Bylaws may be proposed by the Board, acting upon vote of a majority of the Directors, or by Members holding one tenth of the Voting Interests, whether meeting as Members or by instrument in writing signed by them; provided, however, as long as the Developer has control of the Condominium Association, the Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments.

B. Notice. Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than fourteen (14) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members if proper notice is given.

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

D. Voting. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of not less than fifty-one percent (51%) of the Voting Interests. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the public records of the County as an amendment to the Declaration of Condominium within thirty (30) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

E. Written Vote. At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

F. Developer's Reservation. Notwithstanding the foregoing provisions of this Article X, no amendment to these Bylaws which shall abridge, amend or alter the right of Developer to designate members of each Board of Directors of the Association, as provided in Article IV hereof or any other right of the Developer provided herein or in the Articles of Incorporation and Declaration, may be adopted to become effective without the prior written consent of Developer.

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

H. Proviso. Anything herein to the contrary notwithstanding, until the first regular election of Directors by the membership, and so long as the Developer shall have the right to fill vacancies on the Board of Directors, an amendment shall require only the unanimous consent of the Board of

## BUDGET

### DEERFIELD LAKES

#### CONDOMINIUM ASSOCIATION, INC.

The attached Budget shows the estimated expenses for the Condominium Association for the first year of operation.

The Developer shall be excused from the payment of the share of the Common Expenses relating to any Units it owns for a period of time beginning with the recording of this Declaration and ending no later than the first day of the twelfth calendar month following the month in which the closing of the purchase of the first Condominium Unit occurs or the date on which the Developer transfers control of the Condominium Association to the Owners, whichever first occurs ("Guaranty Period"). During the Guaranty Period, the Developer guarantees that the monthly assessment shall not exceed \$ 62.00 per month. The Developer shall pay the portion of Common Expenses incurred during that period which exceeds the total amount collected from other Unit Owners at the guaranteed level. No working capital contribution funds shall be used during the period of time during which the Developer is excused from paying assessments for any of the items set forth in the original operating budget.

The Developer may be in control of the Board of Directors of the Condominium Association during the period of operation in which this Budget has been rendered.

Items of expense that are personal to the Unit Owners, or which are not uniformly incurred by all Unit Owners or which are not provided for in or contemplated by the condominium documents, including but not limited to private telephone costs, costs of maintaining the interior of the Units, costs of maid or janitorial services privately contracted for by Unit Owners, costs of utility services billed directly to Unit Owners for utility services privately contracted for by the Unit Owners, insurance premiums other than those incurred by the Association and applicable to the Condominium Property in general, debt service on a mortgage encumbering a Unit, but not encumbering the Condominium Property as a whole, and like personal expenses of the individual Unit Owner have been excluded in the preparation of the Estimated Budget.

The Purchaser will be required to make a contribution to working capital in the amount equal to two months assessments in advance to offset the initial operating expenses of the Association which may include an initial stocking of supplies and cleaning equipment, all of which will become the property of the Association. The working capital contribution will not be used during the Guaranty Period.

The budget is based upon projections and estimates of costs which are subject to unforeseeable changes in the economy. The experience of other condominium developers has been used as a basis of these estimates. The Developer makes no warranties, guaranties or representations regarding these estimates for other than as set forth above. The actual experience of the Association may require that these figures be modified. The Bylaws of the Condominium Association provide the manner in which the budget shall be proposed or modified. In addition, the Developer reserves the right for itself and the Association to modify the amounts set forth in the line items in the event that there are excesses in certain line items and surplus in others; provided, however, there shall be no adjustment in the line items for reserves for deferred maintenance or capital reserves and no change in the total amount due during the Guaranty Period.

Directors, and no meeting of the condominium unit owners nor any approval thereof need be had.

XI. VA/FHA APPROVAL.

In the event that the VA or FHA approves this Condominium and guarantees a mortgage on a Unit in the Condominium, then for so long as the Developer is in control of the Association any amendment to the Bylaws must be approved by the Veterans Administration or the Federal Housing Administration.

The foregoing were adopted as the Bylaws of DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 11 day of January, 1987.

Dated: January 11, 1987

/s/ Maurice F. Shave  
Secretary

APPROVED:

/s/ Maurice F. Shave  
President

JAN 22 8 24 AM '87  
57-1185

DEERFIELD LAKE

NOTES TO BUDGET

Page 2 of 2

**Reserves for deferred maintenance**

- Painting** - Estimated cost to repaint is \$68,820.00 , based on an estimated 10 year life.
- Pool** - Based on an estimated 10 year life with a estimated cost to redeck and remarcite of \$2,208.00.
- Paving** - Based on an estimated 20 year life with an estimated cost to resurface of \$27,825.00.

**Capital Expenditures**

- Roof** - Based on a 20 year guaranteed life with an estimated cost to reroof of \$46,058.00.

A straight-line engineers suggested schedule method was used in computing reserves for deferred maintenance and capital expenditures.

DEERFIELD LAKES, A CONDOMINIUM  
CONDOMINIUM BUDGET - 1987

PHASED CONDOMINIUM

| EXPENSES                              | TOTAL    |          | PER UNIT |         | PHASE 1  |         | PHASES 2-8 |         |
|---------------------------------------|----------|----------|----------|---------|----------|---------|------------|---------|
|                                       | ANNUAL   | MONTHLY  | ANNUAL   | MONTHLY | ANNUAL   | MONTHLY | ANNUAL     | MONTHLY |
| NUMBER OF UNITS                       | 184      |          |          |         | 22       |         | 162        |         |
| 1. ASSOCIATION/ MANAGEMENT FEES       | 26496.00 | 2208.00  | 144.00   | 12.00   | 3168.00  | 264.00  | 23328.00   | 1944.00 |
| 2. LEGAL AND PROFESSIONAL             | 360.00   | 30.00    | 1.96     | 0.16    | 43.04    | 3.59    | 316.96     | 26.41   |
| 3. CASUAL LABOR                       | 1200.00  | 100.00   | 6.52     | 0.54    | 143.48   | 11.96   | 1056.52    | 88.04   |
| 4. WATER AND SEWER                    | 7317.72  | 609.81   | 39.77    | 3.31    | 874.94   | 72.91   | 6442.78    | 536.90  |
| 5. ELECTRICITY (COMMON AREAS)         | 8400.00  | 700.00   | 45.65    | 3.80    | 1004.35  | 83.70   | 7395.65    | 616.30  |
| 6. TRASH REMOVAL                      | 7200.00  | 600.00   | 39.13    | 3.26    | 860.87   | 71.74   | 6339.13    | 528.26  |
| 7. INSURANCE                          | 18000.00 | 1500.00  | 97.83    | 8.15    | 2152.17  | 179.35  | 15847.83   | 1320.65 |
| 8. GROUNDS MAINTENANCE                | 38700.00 | 3225.00  | 210.33   | 17.53   | 4627.17  | 385.60  | 34072.83   | 2839.40 |
| 9. PEST CONTROL AND TERMITE BOND      | 10296.00 | 858.00   | 55.96    | 4.66    | 1231.04  | 102.59  | 9064.96    | 755.41  |
| 10. MAINTENANCE: SUPPLIES AND REPAIRS | 3600.00  | 300.00   | 19.57    | 1.63    | 430.43   | 35.87   | 3169.57    | 264.13  |
| 11. OFFICE EXPENSES                   | 1800.00  | 150.00   | 9.78     | 0.82    | 215.22   | 17.93   | 1584.78    | 132.07  |
| 12. FEES TO DIVISION                  | 92.00    | 7.67     | 0.50     | 0.04    | 11.00    | 0.92    | 81.00      | 6.75    |
| 13. LAKE MAINTENANCE                  | 1200.00  | 100.00   | 6.52     | 0.54    | 143.48   | 11.96   | 1056.52    | 88.04   |
| 14. RESERVES-DEFERRED MAINTENANCE     |          |          |          |         |          |         |            |         |
| A. EXTERIOR PAINTING                  | 6882.12  | 573.51   | 37.40    | 3.12    | 822.86   | 68.57   | 6059.26    | 504.94  |
| B. PAVING AND SIDEWALKS               | 1391.28  | 115.94   | 7.56     | 0.63    | 166.35   | 13.86   | 1224.93    | 102.08  |
| C. MISCELLANEOUS                      | 220.08   | 18.34    | 1.20     | 0.10    | 26.31    | 2.19    | 193.77     | 16.15   |
| 15. CAPITAL EXPENDITURES              |          |          |          |         |          |         |            |         |
| A. ROOF                               | 2302.80  | 191.90   | 12.52    | 1.04    | 275.33   | 22.94   | 2027.47    | 168.96  |
| B. MISCELLANEOUS                      | 240.00   | 20.00    | 1.30     | 0.11    | 28.70    | 2.39    | 211.30     | 17.61   |
| 16. TAXES, PERMITS                    | 300.00   | 25.00    | 1.63     | 0.14    | 35.87    | 2.99    | 264.13     | 22.01   |
| 16. RENT FOR COMMON FACILITIES        | N/A      | N/A      | N/A      | N/A     | N/A      | N/A     | N/A        | N/A     |
| 17. TAXES ON ASSOCIATION PROPERTY     | N/A      | N/A      | N/A      | N/A     | N/A      | N/A     | N/A        | N/A     |
| 18. TAXES ON LEASED PROPERTY          | N/A      | N/A      | N/A      | N/A     | N/A      | N/A     | N/A        | N/A     |
| 19. SECURITY PROVISIONS               | N/A      | N/A      | N/A      | N/A     | N/A      | N/A     | N/A        | N/A     |
| 20. OPERATING CAPITAL                 | N/A      | N/A      | N/A      | N/A     | N/A      | N/A     | N/A        | N/A     |
| 21. POOL MAINTENANCE                  | 400.00*  | 4800.00* |          |         |          |         |            |         |
| TOTAL                                 | >>>>>>>  | 11333.17 | 739.12   | 61.59   | 16260.63 | 1355.05 | >>>>>>>    | 9978.11 |
| PER UNIT                              |          | 739.12   | 61.59    |         | 739.12   | 61.59   |            | 61.59   |

THE DEVELOPER RESERVES THE RIGHT TO MODIFY THIS AMENDMENT TO INCLUDE ONE OR MORE SUBSEQUENT PHASES OF THE CONDOMINIUM IN ACCORDANCE WITH THEIR ORDER OF COMPLETION.

AMENDMENT TO THE  
DECLARATION OF CONDOMINIUM  
FOR  
DEERFIELD LAKES,  
A CONDOMINIUM  
(Phase \_\_\_\_)

THIS AMENDMENT, is made as of this \_\_\_\_ day of \_\_\_\_, 198\_\_, by DEERFIELD LAKES ASSOCIATES, LTD., a Florida limited partnership ("Developer").

R E C I T A L S:

A. Developer has subjected certain property to condominium form of ownership as more fully described in the Declaration of Condominium for Deerfield Lakes, A Condominium, recorded in Official Records Volume \_\_\_\_, page \_\_\_\_, in the current public records of Duval County, Florida (jointly referred to herein as ("Declaration")).

B. Deerfield Lakes, A Condominium ("Condominium") is a phased condominium created pursuant to Florida Statutes, Section 718.403.

C. Pursuant to the rights and obligations of Section 718.403 and the rules and regulations issued in connection therewith and the provisions of Section 6.6 and Article 20 of the Declaration, the Developer desires to amend the Declaration to submit the land contained in Phase \_\_\_\_ to the Declaration.

NOW THEREFORE, in consideration of the premises, the Developer hereby amends the Declaration as follows:

1. Exhibit A referred to in Section 1.1 of the Declaration is amended to add the land contained within Phase \_\_\_\_, An Addendum to Exhibit A is attached hereto and made a part hereof. All references to Exhibit A herein and in the Declaration shall mean and refer to the Exhibit A contained within the Declaration, together with the Addendum to Exhibit A attached hereto.

The Developer hereby submits the land described as Phase \_\_\_\_ land in the Addendum to Exhibit A to the condominium form of ownership and use. All references to the Land or Condominium Property herein or in the Declaration shall mean and refer to the land contained in Phases \_\_\_\_ and \_\_\_\_.

2. The second sentence of Section 3.1 is hereby amended as follows:

"The Improvements in Phase I consist of twenty-two (22) units located in one two-story building and two one-story buildings, the Improvements contained in Phase \_\_\_\_ consist of \_\_\_\_ ( ) Units located in \_\_\_\_-story building(s).

3. Section 3.2 is hereby amended to read as follows:

The Phase I improvements include one two-story building and two one-story buildings containing twenty-two (22) Units and the Phase \_\_\_\_ improvements include \_\_\_\_-story building(s) containing \_\_\_\_ ( ) Units.

4. The first paragraph of Section 3.5 is amended to read as follows:

"The term "Units" as used herein, shall mean and comprise the twenty-two (22) condominium units in Phase I and the \_\_\_\_\_ (\_\_\_\_) condominium units in Phase \_\_\_\_\_ which are located and individually described in Exhibit D attached hereto. If subjected to this Declaration, the term "Units" shall also refer to the Units constructed on the land described in Exhibit A-1."

Exhibit D as recorded in the Declaration is hereby expanded to include the pages \_\_\_\_\_ to \_\_\_\_\_ attached hereto and made a part hereof as Addendum to Exhibit D and all references to Exhibit D herein and in the Declaration shall mean and refer to the graphic depictions of Phase I and \_\_\_\_\_.

5. Exhibit C of the Declaration is hereby amended to add an as-built survey of the Phase \_\_\_\_\_ Property and to add the surveyor's certificate as Addendum to Exhibit C attached hereto and made a part hereof.

6. Article 20 of the Declaration describes the subsequent phases of the Condominium. By the Amendment, the Developer here subjects Phase \_\_\_\_\_ to the Declaration, accordingly, all references to the Phase \_\_\_\_\_ as a subsequent phase in Article 20 are hereby deleted.

7. At the time of recording this Amendment, Exhibit B is automatically amended by its terms to show the fractional shares of Common Expenses assigned to each Units in Phases I and \_\_\_\_\_ as follows:

Units \_\_\_\_\_ 1/\_\_\_\_th

8. At the time of recording this Amendment, there are \_\_\_\_\_ Voting Interests in the Association.

9. Except as herein amended, the terms and conditions of the Declaration remain in full force and effect.

IN WITNESS WHEREOF, the Developer has caused the foregoing amendment to be executed on the date first above written.

DEERFIELD LAKES ASSOCIATES, LTD.,  
By: Mayport Beach Development, Inc.  
Its General Partner

By: \_\_\_\_\_  
Its \_\_\_\_\_ President  
(Corporate Seal)

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_ by \_\_\_\_\_, the \_\_\_\_\_ President of Mayport Beach Development, Inc., a Florida corporation, general partner of Deerfield Lakes Associates, Ltd., a Florida limited partnership on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida

My Commission Expires:

CONSENT OF MORTGAGEE

The undersigned holder of that certain mortgage recorded in Official Records Volume \_\_\_\_\_, page \_\_\_\_\_ in the current public records of Duval County, Florida, hereby consents to the Declaration of Condominium of Deerfield Lakes, A Condominium, dated \_\_\_\_\_ and subordinates the lien of its mortgage to the terms thereof.

IN WITNESS WHEREOF, the undersigned sets its hand and seal on this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_.

By: \_\_\_\_\_  
Its \_\_\_\_\_ President  
(Corporate Seal)

STATE OF FLORIDA

COUNTY OF DUVAL

This instrument is acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_ the \_\_\_\_\_ President of \_\_\_\_\_ on behalf of the \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Florida

My Commission Expires:

ESCROW AGREEMENT

DEERFIELD LAKES, A CONDOMINIUM

This Agreement, made this 25<sup>th</sup> day of September 1986 by and between Florida National Bank whose principal address is 225 Water Street, Jacksonville, FL 32202, herein referred to as "Escrow Agent", and Deerfield Lakes Associates, Ltd. ("Developer"), whose address is 902 Assisi Lane, Atlantic Beach, FL 32233.

WITNESSETH:

WHEREAS, Developer proposes to construct and develop a condominium project to be located in Duval County, Florida to be known as Deerfield Lakes, a Condominium (the "Condominium"); and

WHEREAS, Developer intends to enter into contracts for sale and purchase of units in the Condominium ("Contracts"); and

WHEREAS, Developer desires to make arrangements to escrow the deposits ("Deposit") on the Contracts; and

WHEREAS, Escrow Agent has consented to hold all Deposits it receives pursuant to the terms and provisions hereof.

NOW, THEREFORE, the Escrow Agent and the Developer agree as follows:

1. From time to time, Developer will deliver checks payable to Escrow Agent, which will represent the Deposits on Contracts, together with a copy of each executed Contract.

2. Upon request, Escrow Agent shall give the purchasers under the Contracts a receipt for the Deposits in accordance with the requirements of Section 718.202 of the Florida Statutes.

3. Escrow Agent shall, subject to funds clearing, disburse the purchaser's Deposit on Contracts escrowed hereunder together with interest thereon, if any, in accordance with the following:

(a) To the purchaser within five (5) days after receipt of the Developer's written certification that the purchaser has properly terminated his Contract.

(b) To the Developer within five (5) days after the receipt of the Developer's written certification that the purchaser's Contract has been terminated by reason of the purchaser's failure to cure a default in performance of purchaser's obligations thereunder.

(c) The Deposit of a purchaser which has not been previously disbursed in accordance with the provisions of 3(a) and 3(b) above, shall be disbursed to the Developer upon receipt from the Developer or its agent of a closing statement reflecting that the transaction for the sale and purchase of the subject unit or dwelling has been closed and consummated.

(d) The Escrow Agent shall at any time make distribution of the purchaser's Deposit upon a Contract upon written direction duly executed by the Developer and purchaser.

4. The Escrow Agent shall invest Deposits in only securities of the United States or any agency thereof or in accounts in institutions, the deposits of which are insured by an agency of the United States or as shall be permitted under Florida Statutes, Section 718.202. Escrow Agent is authorized

to hold all deposits in a money market account at Florida National Bank. Interest shall be paid to Purchaser, if the Contract is terminated as provided in paragraph 3(a). In all other events, interest will be paid to Developer.

5. The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the safe-keeping of such Certificates, monies, instruments or other documents received by it as such escrow holder, and for the disposition of the same in accordance with the written instruments accepted by it as the Escrow Agent.

6. Developer hereby agrees to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, to indemnify the Escrow Agent against any and all expenses, including attorney's fees and the cost of defending any action, suit or proceeding or resisting any claim. The Escrow Agent shall be vested with a lien on all funds which are deliverable to Developer under the terms of this Agreement, for indemnification, for attorney's fees, court expense, fees or charges of any character or nature, which may be incurred by said Escrow Agent by reason of disputes arising between the Developer, any Purchaser and/or Escrow Agent as to the correct interpretation of this Agreement and/or instructions given to the Escrow Agent hereunder, or otherwise, with the right of said Escrow Agent, regardless of the instructions aforesaid, to hold the said property until and unless said additional expenses, fees and charges shall be fully paid.

7. If any two parties shall be in disagreement about the interpretation of this Escrow Agreement, or about the rights and obligations, or the propriety, of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, at its sole discretion, file an action in interpleader to resolve the disagreement, or may take no action and await resolution of the dispute between Developer and purchaser. The Escrow Agent shall be indemnified by Developer for all costs, including reasonable attorney's fees, in connection with the aforesaid interpleader action and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in the interpleader action is received.

8. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it and hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or error of judgment, or for any acts or omissions of any kind unless caused by its wilful misconduct or gross negligence.

9. The Escrow Agent may resign upon ten (10) days' written notice to the Developer. If a successor Escrow Agent is not appointed within this ten day period, the Escrow Agent may petition the Court of the appropriate jurisdiction to name a successor Escrow Agent.

10. All notices and communications hereunder between the Developer and the Escrow Agent shall be in writing and shall be deemed to be duly given if sent by registered or

certified mail, return receipt requested, to the respective addresses set forth herein. All other notices shall be given as specified in the Contract.

11. The rights created by this Agreement shall inure to the benefit of, and the obligations created hereby shall be binding upon, the successors and assigns of the Escrow Agent and Developer.

12. The Escrow Agent shall be reimbursed by Developer for the costs and expenses incurred in connection with administering any and all its rights and obligations under this Agreement.

13. This Agreement shall be construed and enforced according to the laws of the State of Florida.

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

Signed, sealed and  
delivered in the  
presence of:

DEVELOPER

Deerfield Lakes Associates, Ltd.,  
a Florida limited partnership

BY: Mayport Beach Development, Inc.  
Its General Partner

BY: Thomas J. St.  
Its President

[CORPORATE SEAL]

William L. Swaney  
As to Developer

ESCROW AGENT

Florida National Bank

BY: Fennette H. H. H.

Its Vice President

Patricia L. L.  
As to Escrow Agent

THE DEVELOPER RESERVES THE RIGHT TO MODIFY THIS AMENDMENT TO INCLUDE ONE OR MORE SUBSEQUENT PHASES OF THE CONDOMINIUM IN ACCORDANCE WITH THEIR ORDER OF COMPLETION.

AMENDMENT TO THE  
DECLARATION OF CONDOMINIUM  
FOR  
DEERFIELD LAKES,  
A CONDOMINIUM  
(Phase \_\_\_\_)

THIS AMENDMENT, is made as of this \_\_\_\_ day of \_\_\_\_, 198\_, by DEERFIELD LAKES ASSOCIATES, LTD., a Florida limited partnership ("Developer").

R E C I T A L S:

A. Developer has subjected certain property to condominium form of ownership as more fully described in the Declaration of Condominium for Deerfield Lakes, A Condominium, recorded in Official Records Volume \_\_\_\_, page \_\_\_\_, in the current public records of Duval County, Florida (jointly referred to herein as ("Declaration")).

B. Deerfield Lakes, A Condominium ("Condominium") is a phased condominium created pursuant to Florida Statutes, Section 718.403.

C. Pursuant to the rights and obligations of Section 718.403 and the rules and regulations issued in connection therewith and the provisions of Section 6.6 and Article 20 of the Declaration, the Developer desires to amend the Declaration to submit the land contained in Phase \_\_\_\_ to the Declaration.

NOW THEREFORE, in consideration of the premises, the Developer hereby amends the Declaration as follows:

1. Exhibit A referred to in Section 1.1 of the Declaration is amended to add the land contained within Phase \_\_\_\_. An Addendum to Exhibit A is attached hereto and made a part hereof. All references to Exhibit A herein and in the Declaration shall mean and refer to the Exhibit A contained within the Declaration, together with the Addendum to Exhibit A attached hereto.

The Developer hereby submits the land described as Phase \_\_\_\_ land in the Addendum to Exhibit A to the condominium form of ownership and use. All references to the Land or Condominium Property herein or in the Declaration shall mean and refer to the land contained in Phases \_\_\_\_ and \_\_\_\_.

2. The second sentence of Section 3.1 is hereby amended as follows:

"The Improvements in Phase I consist of twenty-two (22) units located in one two-story building and two one-story buildings, the Improvements contained in Phase \_\_\_\_ consist of \_\_\_\_ ( ) Units located in \_\_\_\_-story building(s).

3. Section 3.2 is hereby amended to read as follows:

The Phase I improvements include one two-story building and two one-story buildings containing twenty-two (22) Units and the Phase \_\_\_\_ improvements include \_\_\_\_-story building(s) containing \_\_\_\_ ( ) Units.

4. The first paragraph of Section 3.5 is amended to read as follows:

"The term "Units" as used herein, shall mean and comprise the twenty-two (22) condominium units in Phase I and the \_\_\_\_\_ ( ) condominium units in Phase \_\_\_\_\_ which are located and individually described in Exhibit D attached hereto. If subjected to this Declaration, the term "Units" shall also refer to the Units constructed on the land described in Exhibit A-1."

Exhibit D as recorded in the Declaration is hereby expanded to include the pages \_\_\_\_\_ to \_\_\_\_\_ attached hereto and made a part hereof as Addendum to Exhibit D and all references to Exhibit D herein and in the Declaration shall mean and refer to the graphic depictions of Phase I and \_\_\_\_\_.

5. Exhibit C of the Declaration is hereby amended to add an as-built survey of the Phase \_\_\_\_\_ Property and to add the surveyor's certificate as Addendum to Exhibit C attached hereto and made a part hereof.

6. Article 20 of the Declaration describes the subsequent phases of the Condominium. By the Amendment, the Developer here subjects Phase \_\_\_\_\_ to the Declaration, accordingly, all references to the Phase \_\_\_\_\_ as a subsequent phase in Article 20 are hereby deleted.

7. At the time of recording this Amendment, Exhibit B is automatically amended by its terms to show the fractional shares of Common Expenses assigned to each Units in Phases I and \_\_\_\_\_ as follows:

Units \_\_\_\_\_ 1/\_\_\_\_th

8. At the time of recording this Amendment, there are \_\_\_\_\_ Voting Interests in the Association.

9. Except as herein amended, the terms and conditions of the Declaration remain in full force and effect.

IN WITNESS WHEREOF, the Developer has caused the foregoing amendment to be executed on the date first above written.

DEERFIELD LAKES ASSOCIATES, LTD.,  
By: Mayport Beach Development, Inc.  
Its General Partner

By: \_\_\_\_\_  
Its \_\_\_\_\_ President  
(Corporate Seal)

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_ by \_\_\_\_\_, the \_\_\_\_\_ President of Mayport Beach Development, Inc., a Florida corporation, general partner of Deerfield Lakes Associates, Ltd., a Florida limited partnership on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida

My Commission Expires:

CONSENT OF MORTGAGEE

The undersigned holder of that certain mortgage recorded in Official Records Volume \_\_\_\_\_, page \_\_\_\_\_ in the current public records of Duval County, Florida, hereby consents to the Declaration of Condominium of Deerfield Lakes, A Condominium, dated \_\_\_\_\_ and subordinates the lien of its mortgage to the terms thereof.

IN WITNESS WHEREOF, the undersigned sets its hand and seal on this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_.

By: \_\_\_\_\_  
Its \_\_\_\_\_ President  
(Corporate Seal)

STATE OF FLORIDA

COUNTY OF DUVAL

This instrument is acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_ the \_\_\_\_\_ President of \_\_\_\_\_ on behalf of the \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Florida

My Commission Expires:

## MANAGEMENT AGREEMENT

THIS AGREEMENT, dated this 8<sup>th</sup> day of September, 1986, by and between Deerfield Lakes Condominium Association, Inc., a Florida not-for-profit corporation (hereinafter referred to as the "Association"), and Cometa Property Management, Inc., (hereinafter referred to as the "Agent").

### W I T N E S S E T H :

WHEREAS, the Agent has certain expertise in the operation and management of condominiums, and

WHEREAS, the Association wishes at all times to comply with the applicable provisions of the Florida Condominium Act as it currently exists and as it may be amended during the term of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

#### I. APPOINTMENT

The Association hereby appoints the Agent on the terms and conditions hereinafter provided, and in compliance with the applicable provisions of the Florida Condominium Act to be exclusive Agent of the Association, and to assist the Association in the operation and management of the Deerfield Lakes, A Condominium, and to do and perform the duties and services provided in this Agreement. The Agent accepts this appointment.

#### II. DEFINITIONS

As used in this Agreement, the following words and phrases will have definitions and meanings as follows:

2.1. "Board" shall refer to the Board of Directors of the Condominium Association.

2.2. The "Condominium Act" shall refer to Chapter 718 of the Florida Statutes, as the same has been enacted through the date hereof and as it may be amended during the terms of this Agreement.

2.3. "Condominium Association" and/or "Association" means Deerfield Lakes Condominium Association, Inc.

2.4. "Condominium Parcel" means a condominium unit, together with its undivided share in the common elements, and appurtenant limited common elements, if any.

2.5. "Documents" means the Declaration of Condominium, together with the By-Laws and Articles of Incorporation of the Association, as the same shall be amended from time to time.

2.6. "Unit Owners" means the owner or owners of a Condominium Parcel.

#### III. GENERAL AUTHORITY AND DUTIES

It is expressly understood that the Association cannot contract away its obligation to perform certain duties and services in connection with the management and operation of the Condominium. Accordingly, the Agent is only being employed to assist the Association in the performance of its duties and services as are more particularly set forth in the Documents. With this common understanding, the parties agree that:

3.1 Every act performed by the Agent herein, including, without limitation, hiring employees and contracting with independent contractors, shall be as an Agent for the Association.

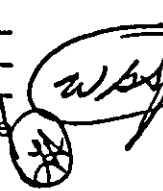
3.2 The Agent will confer fully and freely with the Board or its designated representatives.

3.3. The Agent shall rely on factual information and directions provided it by such officer or officers of the Association as the Board directs by written resolution; the Agent shall be protected by the terms of Paragraph XII herein for any liability it sustains as a result of such reliance.

3.4 The authority and duties conferred herein upon the Agent are confined to the common and limited common elements and facilities as are more particularly defined in the Documents unless additional and further authority or duties have been otherwise vested in the Association by the Documents or the Condominium Act.

#### IV. PERSONNEL

The Agent shall hire all labor in its own name, but at the expense of the Association and subject to budgetary limitations established by the Board, which the Agent deems necessary for the efficient discharge of the duties as otherwise set forth in this Agreement. The Agent shall maintain its own personnel, at its own expense, who shall be in contact with and supervise the on-site labor at the Condominium as often as necessary.

~~The Agent shall employ at least one part-time on-site employee, and others as required, who will be assigned specifically to the Condominium. The compensation, benefits, and expenses of such personnel are to be reimbursed by the Association to the Agent within the budgetary limitations.~~ 

#### V. SPECIFIC DUTIES OF THE AGENT

##### 5.1 Administration

a) Maintain business-like relations with the Unit Owners whose service requests shall be received and recorded in a systematic fashion. The Agent shall keep records of the action taken with respect to each request. Complaints shall, after reasonable investigation, be reported to the Board with appropriate recommendations. If a complaint requires legal assistance to secure its resolution, the Board will be so informed and no further action will be taken by the Agent until or unless the Board so authorizes.

b) Investigate, hire, contract with, supervise and pay such personnel and independent contractors as the Agent deems necessary to properly maintain and operate the Condominium. In choosing independent contractors, the Agent will use its best efforts to obtain three written qualified proposals, the final approval over which will come from the Board. The Agent will require that all independent contractors performing services for the Condominium to provide the Association with active certificates of insurance for workman's compensation, general liability and property damage. The Agent shall have the authority to discharge personnel and independent contractors as it deems necessary and proper. For major repair or replacement, of Common or Limited Common Elements the Agent shall recommend to the Association qualified professionals to assist the Association and the Agent. The decision to employ and compensate professional expertise will be the responsibility of the Board.

c) Make contracts for water, electricity, gas, fuel oil and other necessary utility services to the Common and Limited Common Elements or such of them as the Association shall deem advisable which shall be subject to Board approval and at the expense of the Association.

d) Place orders for such equipment, tools, appliances, materials and supplies as are necessary to properly maintain and repair the Condominium at the expense of the Association. All such contracts and orders shall be made in the name of the Association. When taking bids or issuing purchase orders, the Agent shall be under a duty to secure for the credit of the Association any discounts, commissions or rebates obtainable as a result of such purchases without taking bids.

e) Cause to be placed and kept in force all forms of insurance of the type and in the amount requested by the Association or, as required by law or as required under the Documents at the expense of the Association. All of the various types of insurance coverage required shall be placed with such companies, in such amounts and with such beneficial interests appearing therein, as shall be requested by the Association. The Agent shall furnish to the Board copies of all such insurance policies maintained and kept in force. The Agent shall promptly report to the insurance company all reported accidents or damages related to the management operation and maintenance including any damage or distribution to the Condominium.

f) Maintain records in regard to the Agent's duties hereunder in a manner which complies with the requirements of the Condominium Act, and in a manner approved by the Association. Such records shall be kept in the office of the Agent, and shall be available for inspection by any Unit Owner during normal business hours by prior appointment.

g) Submit to the Association a proposed budget for the operation of the Condominium for the ensuing fiscal year, at least ninety (90) days before the beginning of each new fiscal year of the Association. Such budget shall include such financial information, or other information as the Association requests and is reasonably necessary for the Association to review and finalize the budget. The budget shall serve as a supporting document for the schedule of assessments proposed for the new fiscal year and for expenditures hereunder. The Association shall furnish the Agent with the preliminary budget as approved by the Board at least forty-five (45) days before the commencement of the fiscal year. The Agent, at the expense of the Association, shall transmit copies thereof to each member, along with notice of the budget meeting thirty (30) days before the budget meeting as required by the Condominium Act. The budget shall constitute a major control under which the Agent shall operate, and there shall be no substantial variances therefrom, except such as may be sanctioned in writing by the Association any failure to meet the foregoing time frame shall not be deemed a default hereunder nor in any way constitute a defect in the budget finally passed.

h) Maintain copies of the following documents, which constitutes the official records of the Association, and shall open said records for inspection by any Unit Owner or authorized representative of such Unit Owner at all reasonable times who shall have the right to make such copies as may be required.

(i) The plans, permits, warranties, and other items provided by the Developer;

(ii) A photocopy of the recorded declaration of each condominium operated by the

Association and all amendments thereto;

(iii) A photocopy of the recorded bylaws of the Association and all amendments thereto;

(iv) A certified copy of the articles of incorporation of the Association or other documents creating the Association and all amendments thereto;

(v) A copy of the current rules of the Association;

(vi) A book or books containing the minutes of all meetings of the Association, of the Board, and of Unit Owners, which minutes shall be retained for a period of not less than 7 years;

(vii) A current roster of all Unit Owners, their mailing addresses, unit identifications, voting certifications, and if known, telephone numbers;

(viii) All current insurance policies for the Condominium;

(ix) A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility;

(x) Bills of sale or transfer for all property owned by the Association;

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

(aa) Accurate, itemized, and detailed records of all receipts and expenditures.

(bb) A current account and a monthly, bi-monthly, or quarterly statement of the account for each Condominium Parcel designating the name of the Unit Owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

(cc) All audits, reviews, accounting statements, and financial reports of the Association and Condominium.

(dd) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of 1 year.

(xii) Voting proxies, which shall be maintained for a period of 1 year from the date of the meeting for which the proxy was given.

h) Maintain an office together with a telephone so that Unit Owners or occupants may contact the Agent or its employees on a twenty-four (24) hour basis. The initial address and telephone number of the Agent is:

1636 Shadowood Lane, Suite #105 Jacksonville, Florida 32207

904-398-6294

i) Attend meetings of the Board of Directors. Attend all annual meetings and special meetings of the Association.

j) Cooperate with the Board in preparation of the Association's annual meeting; prepare and transmit such notices, proxies and other materials at the Association's expense as may be requested.

## 5.2 Fiscal

a) Collect all monthly and special assessments due from Unit Owners. The Association hereby authorizes and directs the Agent to request, demand, collect, receive and receipt for any and all assessments, charges, rents, or liens which may at any time be or become due to the Association and at the expense of the Association take such action in the name of the Association by way of process or authority granted the Association under the Documents or the Condominium Act and may be required for the collection of delinquent assessments. The Agent shall notify the Board of any account which is more than thirty (30) days past due on or about the fifteenth (15th) of the month unless otherwise advised by the Board. By direction from the Board, Agent will implement collection proceedings on behalf of the Association.

b) From the funds collected and deposited, cause to be disbursed regularly and punctually:

(i) Fire and other property insurance premiums, electrical, water, sewer, trash and similar charges; and the amount specified by the Association for allocation to reserves, if any.

(ii) Compensation to on-site labor as more particularly defined in Article IV above, together with the payroll processing cost, insurance, taxes, workman's compensation audit expense, overtime, vacation pay, holiday pay, sick pay, jury duty, group hospitalization and life insurance and such other employee benefits as the Board may approve.

(iii) The Agent's compensation as is set forth in paragraph XI.

(iv) The Agent's reimbursable expenses which, in addition to those items specifically disclosed herein, shall be itemized in a budgetary document to be prepared by the Agent and upon approval by the Association.

(v) Other sums otherwise due and payable by the Association as operating expenses authorized to be incurred under the terms of the Agreement.

(vi) Any remaining balance after disbursements may be disbursed or transferred from time to time, but only as specifically directed by the Board in writing and/or meeting minutes.

c) The Agent shall furnish to the Board no later than the first work day after the fifteenth (15th) day of each month the following records and information regarding the Association:

(i) Balance sheet

(ii) Statement of Income and Disbursements, showing monthly and year-to-date expenditures as

compared to current month and year-to-date budgets, or a photocopy thereof.

(iii) A list of Aged Accounts Receivable

(iv) Supporting Schedules of accounts as provided in the software system for those statements provided in (i) and (ii) above.

d) The Agent shall maintain a complete set of formal books to include a balance sheet, trial balance and all ledgers, and a computer printout showing all salaries and wages paid to on-site personnel. These records will be available at the office of the Agent for inspection by the Association or its Unit Owners upon request.

e) The Agent shall, on behalf of the Association, prepare, file and cause to be paid, all forms, reports and licenses required by law. At direction of the Association, the Agent shall contract for the preparation of the tax returns at the expense of the Association. At the expense of the Agent, annual balance sheets and profit and loss statements shall be prepared without audit for the Association. These financial reports will then be delivered to the Unit Owners within sixty (60) days following the end of the fiscal year. The expense incurred for the distribution of this financial report to the Unit Owners will be borne by the Association. The Association, at its option and its expense, shall have the right to an independent audit.

f) Any payments to be made by the Agent under this Agreement shall be made from the accounts of the Association or as may be provided by the Association. The Agent shall not be obliged to make any advance to or for the accounts of the Association, or to pay any sum, except out of funds held or provided as aforesaid, nor shall the Agent be obliged to incur any liability or obligation for the accounts of the Association. The Association shall maintain an adequate balance in its operating account to cover current operating expenses.

g) Establish and maintain bank accounts as Agent of the Association, which account shall be in a bank whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") or Federal Savings and Loan Insurance Corporation ("FSLIC") and reflect the custodial nature thereof. Said account shall be for the deposit of all monies received by the Agent on behalf of the Association. Such funds shall not be commingled with the funds of the Agent.

(i) The Association specifically directs the Agent to draw funds on said accounts to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of Agent's compensation or reimbursements, all of which payments shall be subject to the limitations set forth in this Agreement.

(ii) Upon authorization by the Board, the Agent will place all monies in excess of current needs in pass-book type interest bearing accounts or in long term obligations such as certificates of deposit. In the event that the amounts deposited in the aforesaid accounts exceed the limits of the FDIC or FSLIC coverage, then the Agent shall have the authority to establish additional identical accounts in the name of the Association.

(iii) The Agent shall provide the Association with a certificate of Agent's fidelity bond coverage.

### 5.3. Physical

a) If the Association specifically requests, and at the Association's expense, the Agent shall require all of Agent's on-site personnel to prominently display sufficient identification of their employment while engaged in such employment on or about the Condominium.

b) Cause the Common Elements which are to be maintained by the Association under the Documents, to be maintained according to the standards acceptable to the Association, including, but not limited to, common roadways, roofs, elevators, lawn maintenance, landscaping, interior and exterior cleaning, painting, decorating, plumbing, carpentry and such other normal maintenance and repair work as may be necessary, subject to limitations imposed by the budget, the Documents, the Association and those contained in this Agreement. The Agent shall inspect the Condominium at least weekly to assure that all maintenance is being performed in a timely manner.

c) For any one item of repair or replacement, the expense shall not exceed the budgeted amount, unless specifically authorized in writing by the Association. However, if such repairs manifest danger to life and property and are immediately necessary for the preservation and safety of the property, or for the safety of the Unit Owners or occupants, or are required to avoid the suspension of any necessary service to the Condominium, emergency repairs may be made by the Agent irrespective of the cost limitation imposed by this paragraph. Notwithstanding this authority as to emergency repairs, it is understood and agreed that the Agent will, if reasonably possible, confer with the designated person of the Association regarding such expenditure.

d) Take such action as may be necessary to cause compliance with any and all orders or requirements affecting the Condominium placed thereon by any federal, state, county, municipal or other governmental or regulatory authority having jurisdiction thereover, and the orders of the Board of Fire Underwriters or other similar bodies, subject to the limitation of the budget or direction of the Board. The Agent shall notify the Association within two (2) working days of all such notices and orders.

e) It shall be the duty of the Agent at all times during the term of this Agreement to operate and maintain the Condominium according to standards consistent with the overall plan of the Association. The Agent shall see that all Units Owners are informed with respect to such rules, regulations and notices as may be promulgated from time to time by the Board of the Association.

### VI. TERM - RENEWAL/CANCELLATION

6.1 The initial term of this Agreement shall be from date of recording of the Declaration of Condominium through the first anniversary thereof.

6.2 If the Agent shall default in the performance of any duty for which it is responsible under this Agreement, the Board of Directors shall notify the Agent in writing by Certified Mail, Return Receipt, of the specific default. The Agent shall have thirty (30) days from receipt of such notice to substantially correct or cure such default. In the event that the default is not cured to the satisfaction of the Association, the Association may declare this Agreement to be null and void of no further force and effect. If the Association shall default in the performance of any duty for which it is responsible under this Agreement, the Agent shall notify the

Association in writing by Certified Mail, Return Receipt, of the specific default. In the event that the default is not cured to the satisfaction of the Agent, the Agent may declare this Agreement to be null and void of no further force and effect as hereby stated above.

6.3 In the event a petition in bankruptcy is filed by or against the Agent, or the Agent shall make an assignment for the benefit of creditors to take advantage of any insolvency act, this Agreement shall be automatically terminated as of the date of such event.

6.4 At the option of the Agent, this Agreement will be automatically renewed for a one (1) year period unless and except the Association provides the Agent sixty (60) days prior to expiration of the term with written notice advising the Agent that the Agreement will not be renewed.

6.5 This Agreement may be terminated in accordance with the provisions of the Condominium Act.

6.6 This Agreement may be terminated for cause or no cause upon sixty (60) days written notice.

6.7 In the event that this Agreement is terminated pursuant to any of the provisions of this Article, then all outstanding charges or expenses incurred by Agent under the terms of this Agreement, which are to be paid or reimbursed by the Association, but not paid at the time of termination, shall be paid by the Association. Any funds of the Association which are in excess of said outstanding charges or expenses shall be paid over to the Association by Agent within ten (10) working days after termination of this Agreement. Within twenty (20) working days after termination, Agent shall supply a final statement of account in the nature of the monthly accounting required of the Agent as heretofore set forth in this Agreement.

#### VII. DUTIES SEVERABLE

Each duty of the Agent or authority delegated to the Agent is severable and separate from any and every other duty or authority and the unenforceability or illegality of any duty or authority shall not affect any or every duty or authority or the validity of this Agreement.

#### VIII. LIABILITY FOR INJURY OR DAMAGE

The Agent shall not be liable to the Association for any loss or damage not caused by the Agent's own negligence or failure to comply with its obligations hereunder.

#### IX. UNIT MAINTENANCE

This Agreement does not contemplate, nor is the Agent responsible for or required to perform the upkeep and repair of the interior of the individual units, nor maintenance, repair or replacement of a Unit Owner's fixtures or appliances, the responsibility of which is, under the Documents, that of the individual Unit Owner.

#### X. INTERFERENCE

The Association shall not interfere, nor permit, allow or cause any of its officers, directors or Unit Owners to interfere with the Agent in the performance of its duties or the exercise of any of its powers hereunder; except as otherwise provided herein.

## XI. AGENT'S COMPENSATION

11.1 The initial fee for Association Management services shall be \$12.00 per month, per Unit. The Agent's reimbursable expenses, normal operating costs, such as stationary, telephone, postage, photo copying, office equipment, printing and 1099 preparation will be reimbursed to the Agent monthly as the expenses are incurred, provided such items do not exceed the appropriate line item.

11.2 All reimbursable expenses to Agent set forth in this Agreement shall be paid to Agent on the same day of each month as the fee for services is due. Provided, however, all Association payroll expenses will be payable when they are otherwise due.

11.3 The Association understands and agrees that this Agreement imposes on it the firm and irrevocable obligation to pay all fees and reimbursable costs and otherwise perform the other provisions hereof for the full term of this Agreement subject, however, to the cancellation provisions of Article VI hereof and the budget limitations, except the case of emergency.

11.4 Any payment or provision hereof to law shall be null and void and this Agreement shall otherwise remain in full force and effect.

11.5 The Association also agrees that the Agent shall be reimbursed for all costs reasonably incurred and associated with the extraordinary collection of delinquent maintenance fees. Specifically, those charges which may be prompted by use of the judicial system for enforcement and collection of outstanding fees, whether uncollected by the Association or its management predecessor or those which may occur in the future. Provided, however, prior to use of an attorney or any judicial enforcement proceeding, the Agent will secure the express approval of the Board.

## XII. INDEMNIFICATION

The Association hereby agrees, to indemnify the Agent and save him harmless from and against any and all actions, claims, demands, liabilities, losses, damages or expenses of any nature, including attorney's fees through all appeals, if any, which the Agent may incur by reason of services rendered or duties performed by the Agent pursuant to the terms and conditions of this Agreement, but only to the extent that such expenses, damages, losses, liabilities, demands, claims or actions are not covered by any insurance which the Agent may be required to maintain under the terms and conditions of this Agreement or under the law of the State of Florida and further provided such damages, losses, liabilities, demands, claims or actions are not caused by Agent's negligence.

## XIII. ENFORCEMENT

13.1 Should it become necessary for either the Agent or the Association to enforce this Agreement due to default of the other, all courts costs and attorney's fees through all appeals, if any, incurred by the prevailing party, shall be paid by the defaulting party.

13.2 The Agent shall have any and all other rights and remedies in connection with the enforcement and collection hereof, as provided by law. In addition to the other provisions for the enforcement and payment of the fees and other charges herein covenanted to be paid by the Association.

13.3 This Agreement shall be construed in accordance with the laws of the State of Florida in force and effect at the time of the execution hereof.

13.4 The exercise of one or more of the rights or remedies provided for herein, shall not be constructed as a waiver of the other.

XIV. ASSIGNMENT

This contract is personal in nature to the parties expressly herein, and cannot be assigned by either party without the express, prior written consent of the other party. Any attempted assignment without such consent shall be null and void and constitute material breach hereof.

XV. CONTRACT LANGUAGE

The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict constructions shall be applied against any party.

IN WITNESS WHEREOF, the parties have caused this Management Agreement to be signed in their names and the Corporate Seal affixed, attested to and by their Secretaries, the day and year first above written.

\_\_\_\_\_  
DEERFIELD LAKES CONDOMINIUM  
ASSOCIATION, INC.

\_\_\_\_\_  
BY: \_\_\_\_\_  
Its \_\_\_\_\_ President

\_\_\_\_\_  
COMETA PROPERTY MANAGEMENT  
INC.

\_\_\_\_\_  
BY: Linda Walker  
Its \_\_\_\_\_ President

SUPPLEMENTAL DECLARATION OF DRAINAGE EASEMENT  
AND LAKE MAINTENANCE AGREEMENT  
(MAYPORT - LAKESIDE)

---

This Supplemental Declaration of Drainage Easement is made this \_\_\_\_\_ day of \_\_\_\_\_, 1986 by BSM PARTNERS, a Florida general partnership, whose general partners are Beacon Realty Partnerships, Inc., a Florida corporation, Stokes-McCaleb, Inc., a Florida corporation, and Beacon Capital Group, Inc., a Florida corporation, whose address is c/o Wilson Financial Corporation, 10 West Adams Street, Jacksonville, Florida 32202 ("BSM"), MAYPORT ASSOCIATES, LTD., a Florida limited partnership, whose address is 9000 Cypress Green Drive, Jacksonville, Florida 32216 ("Associates"), DEERFIELD LAKES ASSOCIATES, LTD., a Florida limited partnership, whose address is 17781 West 130th Street, North Royalton, Ohio 44133 ("Deerfield"), LAKESIDE ASSOCIATES, LTD., a Florida limited partnership, whose address is 9000 Cypress Green Drive, Jacksonville, Florida 32216 ("Lakeside"), MAYPORT LAND PARTNERS, a Florida general partnership, whose general partners are Beacon Realty Partnerships, Inc., a Florida corporation and Beacon Capital Group, Inc., a Florida corporation, whose address is c/o Wilson Financial Group, Inc., 10 West Adams Street, Jacksonville, Florida 32202 ("Mayport Land"), and STOKES - MCCALED, INC., a Florida corporation, whose address is 9000 Cypress Green Drive, Jacksonville, Florida 32216 ("McCaleb"), (collectively "Declarants")

Preliminary Statement

Associates is the owner of that real property located in Duval County, Florida more particularly described on Exhibit A attached hereto and identified thereon as "Parcel A - Associates Land". BSM is the owner of those tracts or parcels of real property located in Duval County, Florida more particularly described on Exhibit A attached hereto and identified thereon as "Parcel B-1 - BSM Commercial Land". McCaleb is the owner of that real property located in Duval County, Florida, more particularly described on Exhibit A and identified thereon as "Parcel B-2 - McCaleb Commercial Land". Deerfield is the owner of that real property located in Duval County, Florida, more particularly described on Exhibit A and identified as "Parcel C - Deerfield Multi-family Land". Mayport Land is the owner of that land located in Duval County, Florida, more particularly described on Exhibit A and identified thereon as "Parcel D - Mayport Land Multi-family Land". Lakeside is the owner of that real property located in Duval County, Florida more particularly described on Exhibit A attached hereto and identified thereon as "Lakeside Land". All the real property described on Exhibit A attached hereto is collectively referred to herein as the "Property".

By Declaration of Drainage Easement dated November 22, 1985 and recorded in Volume 6057, Page 2012 of the Public Records of Duval County, Florida, BSM established a master drainage plan for that real property identified therein as the "Lands", and provided for the maintenance of the Lake (as described therein) and related drainage facilities by an association of owners of parcels within the Lands, and further provided for a supplemental agreement to set forth in greater detail the easements, covenants, and restrictions established by the Declaration of Drainage Easement. Subsequent to the Declaration of Drainage Easement, BSM has conveyed portions of the Lands to the parties named herein. The parties

Prepared by and return to:  
Bert C. Simon, Esq.  
Gartner and Phillips  
P. O. Box 10697  
Jacksonville, FL 32247-0697

desire to enter into a supplemental declaration for the purpose of: (i) releasing portions of the Lands from the Declaration of Drainage Easement; (ii) providing for the maintenance of the Lake and the sharing of the expenses related thereto; and (iii) preserving the value and maintaining the desirability of the Property.

### Declaration

Therefore, as the owners of all the real property comprising the Property and the Lake, Declarants hereby amend the Declaration of Drainage Easement and make the following declarations.

### ARTICLE I

#### DEFINITIONS AND INTERPRETATION

Unless the context expressly requires otherwise, the words defined below whenever used in this Supplemental Declaration and in the Legal Documents shall have the following meanings:

1.1 "Association" means Mayport Lakeside Owners Association, Inc., a Florida not for profit corporation, its successors and assigns.

1.2 "Board" or "Board of Directors" means the Association's Board of Directors.

1.3 "Drainage Facilities" means all drainage pipes, equipment, outflow control structures, underdrains and related drainage facilities located within the easement areas described on Exhibit B hereto and on the real property described in Exhibit C hereto.

1.4 "Lake" means that body of water within the Property located on the real property more particularly described on Exhibit C hereto.

1.5 "Lands" means that real property located in Duval County, Florida more particularly described on Exhibit A to that Declaration of Drainage Easement recorded at Volume 6057, page 2012 of the Public Records of Duval County, Florida. A portion of the Lands is herein described as the "Property".

1.6 "Law" includes, without limitation, any statute, ordinance, rule, regulation, or order validly created, promulgated, adopted, or enforced by the United States of America, or any agency, officer, or instrumentality thereof, or by the State of Florida, or any agency, officer, municipality, or political subdivision thereof, or by any officer, agency, or instrumentality of any such municipality or subdivision, and from time to time applicable to the Property or to any and all activities on or about the Property.

1.7 "Legal Documents" The legal documentation consists of this Supplemental Declaration, any additional declarations made pursuant to the terms hereof, the Declaration of Drainage Easement, the Association's Articles of Incorporation, the Association's By-Laws, and all amendments to any of the foregoing now or hereafter made. The foregoing are individually and collectively called the Legal Documents in this Supplemental Declaration. Unless the context expressly requires otherwise, the words defined below whenever used in any of the foregoing, in any corporate resolutions and other instruments of the Association, shall have the following meanings:

(a) "Declaration of Drainage Easement" means that Declaration of Drainage Easement dated November 22, 1985 and

recorded in Volume 6057, Page 2012 of the Public Records of Duval County, Florida.

(b) "Supplemental Declaration" means this Supplemental Declaration of Drainage Easement and Lake Maintenance Agreement as amended from time to time.

(c) "Articles" means the Articles of Incorporation of the Association, as amended from time to time.

(d) "By-Laws" means the By-Laws of the Association, as amended from time to time.

1.8 "Owner" means the record owner, whether one or more Persons, of the fee simple title to any Parcel, including contract sellers, but excluding contract buyers and any other Person holding such fee simple title merely as security for the performance of an obligation. Declarants are Owners to the extent of each Parcel from time to time owned by a Declarant.

1.9 "Parcel" means each of those tracts, parcels or areas of land identified herein as Parcel A, Parcel B-1, Parcel B-2, Parcel C and Parcel D, and any other tract, parcel or area of land, owned and designated by a Declarant as a separate parcel within the Property but excluding: (a) the real property identified on Exhibit A as "Lakeside Land"; and (b) any tract, parcel, area of land or real property interest created by a subdivision plat, declaration of condominium, or similar document creating residential lots or dwelling units.

1.10 "Person" means any natural person or artificial entity having legal capacity.

1.11 "Property" means the lands in Duval County, Florida, collectively described on Exhibit "A" attached to this Declaration.

1.12 "Residential Association" means any homeowner, condominium, townhouse, or other similar association of residential owners owning houses, condominiums units, townhouses, or other single family units within the Property.

1.13 "Regulations" means any rules and regulations regarding the use of the Property or any part thereof duly adopted by the Association in accordance with the Legal Documents.

1.14 Interpretation. Unless the context expressly requires otherwise, the use of the singular includes the plural and vice versa; the use of one gender includes all genders; the use of the terms "including" or "include" is without limitation; and the use of the terms "will", "must", and "should" has the same effect as the use of the term "shall". Wherever any time period is measured in days, "days" means consecutive calendar days; and, if any such time period expires on a Saturday, Sunday, or legal holiday, it shall be extended to the next succeeding calendar day that is not a Saturday, Sunday, or legal holiday. Unless the context expressly requires otherwise, the term "Property" means all or any portion applicable to the context. This Declaration shall be construed liberally in favor of the party seeking to enforce its provisions to effectuate its purpose of providing a master drainage plan and a manner of maintaining the Lake and sharing of the expenses thereof, and protecting and enhancing the value, marketability, and desirability of the Property. Headings and other textual divisions are for indexing purposes only and are not to be used to interpret, construe, apply, or enforce any substantive provisions. The provisions of this subparagraph apply to the interpretation, construction, application, and enforcement of all the Legal Documents.

*what was subdivided*

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner of a Parcel is a member of the Association. An Owner of more than one Parcel is entitled to one membership for each Parcel owned. Each membership is appurtenant to the Parcel upon which it is based and is transferred automatically by conveyance of title to that Parcel whereupon the membership of the previous Owner automatically terminates. No Person other than an Owner may be a member of the Association, and a membership in the Association may not be transferred or encumbered except by the transfer of title to a Parcel.

3.2 Voting Rights.

(a) General. Voting rights within the Association have been allocated to each Parcel based upon the approximate area of land that utilizes the Lake for drainage purposes. The total number of votes in the Association shall be thirty-six (36) and are initially allocated among the Parcels, as follows: Parcel A-Twelve (12), Parcel B-1-One (1), Parcel B-2-Five (5), Parcel C-12 and Parcel D-6.

(b) Residential Associations. If any Parcel shall be developed as a condominium, townhouse or other form of residential development in which there is established a Residential Association, then any subdivision of the Parcel into lots, condominium units or other residential dwelling units shall not increase or decrease the total number of votes allocated to the Parcel pursuant to the above described allocation. Furthermore, the Residential Association shall be considered as the member of the Association for such Parcel, and the Residential Association shall exclusively exercise all membership privileges and voting rights appurtenant to such Parcel on behalf of the owners of residential units located thereon.

(c) Parcel Subdivision. If a Parcel is subdivided in a manner other than as described in subparagraph 3.2(b), the owners of each parcel or tract within the Parcel shall all be members of the Association, but the total votes allocated to the Parcel pursuant to the above allocation shall not change. All the owners within a Parcel shall execute and file with the secretary of the Association a certificate designating an authorized representative to vote on behalf of all such owners or a certificate dividing the total number of votes allocated to the Parcel among the various subparcels. Any such certificate filed with the secretary of the Association shall remain in effect until a written rescission has been delivered to the secretary by an owner of a subparcel.

(d) Co-Ownership. If title to a Parcel is held by a corporation or partnership, the secretary of the corporation or the managing general partner shall file with the Association a certificate designating the authorized voting representative of the corporation or partnership, which shall be effective until rescinded.

3.3 Operation of the Association. The Association shall be managed by a Board of Directors elected by the members as provided in the Articles and By-Laws of the Association. The Board of Directors shall elect officers to administer the affairs of the Association as set forth in the Articles and By-Laws of the Association.

3.4 Notice, Quorum and Proxies. Written notice of any membership meeting must be given to all members not less than fifteen (15) days, nor more than forty-five (45) days, in advance of such meeting, setting forth its purpose. The presence in person or by

proxy, of members entitled to cast a majority of the votes of the membership constitutes a quorum. If the required quorum is not present or represented, the members entitled to vote shall have the power to adjourn the meeting, from time to time without notice other than announcement at the meeting, until the required quorum shall be present or represented. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Proxies must be registered with the Secretary of the Association prior to members meetings. Proxies may be used to determine presence for quorum purposes.

3.5 Amplification. The provisions of this Article are amplified by the Association's Articles and By-Laws; but no such amplification shall alter or amend substantially any of the rights or obligations of the Owners set forth in this Article. Declarants intend that the provisions of this Supplemental Declaration, on the one hand, and the Articles and By-Laws on the other, be interpreted, construed, applied, and enforced to avoid inconsistencies or conflicting results. If any such conflict necessarily results, however, Declarants intend that the provisions of this Supplemental Declaration control anything in the Articles or By-Laws to the contrary.

#### ARTICLE IV

##### RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 Lake Maintenance. The Association shall maintain the Lake, the Drainage Facilities and the stormwater management systems located therein in a good and servicable condition and in compliance with the requirements of the State of Florida Department of Environment Regulation, the St. Johns Water Management District, and other governmental authorities having jurisdiction over the maintenance of stormwater drainage facilities. Subject to the rights of the City of Jacksonville, Florida, and other governmental authorities, the Association shall have the exclusive right to determine and control water levels and water quality, and to control the growth and removal of plants, fungi, waterfowl and animals within the Lake. If the Association is dissolved, the personal property comprising the Drainage Facilities shall be conveyed to an appropriate agency of local government, and the real property where such Drainage Facilities are located shall be subject to easements to such agency of local government to operate and maintain the stormwater management system. If the conveyance and easements are not accepted by the local government agency, then the Drainage Facilities must be conveyed and easements granted to a non-profit corporation similar to the Association to operate the stormwater management system. The provisions of this paragraph do not supercede the provisions hereof that require Owners to maintain the Lake shoreline located within or adjacent to their Parcels.

4.2 Services. The Association may obtain and pay for the services of any Person to manage its affairs to the extent it deems advisable and may contract for such other personnel as the Association determines are necessary, convenient, or desirable for the proper maintenance of the Lake and the Drainage Facilities or the performance of the Association's responsibilities hereunder, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts. The Association may obtain and pay for the legal and accounting services necessary, convenient, or desirable in connection with the performance of its duties or the enforcement of the Legal Documents or the Association's Regulations.

4.3 Rules and Regulations. The Association from time to time may adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Property, the Lake and the Drainage Facilities, but only as to those matters that affect the storm water drainage plan herein described. Any rules

## 5.2 Maintenance Assessments.

(a) Purpose. The maintenance assessments levied by the Association must be used exclusively for the operation, management, maintenance, repair, servicing, renewal, replacement, and improvement of the Lake, the Drainage Facilities, and the easements described herein and the performance of the Association's responsibilities and exercise of the Association's rights as established in the Legal Documents. The Board of Directors may, but shall not be required, to include within the maintenance assessment amounts for adequate reserves to provide for the repair, replacement and improvement of capital improvements to the Lake and the Drainage Facilities.

(b) Amount. The Board of Directors shall prepare an annual budget for each fiscal year of the Association setting forth anticipated expenses of operating, maintaining and repairing the Lake and Drainage Facilities. The Directors shall deliver a copy of the proposed budget to each Owner not less than fifteen (15) days prior to the meeting of the Directors at which the proposed budget will be reviewed and adopted. Any Directors meeting at which the budget or assessments are to be considered shall be open to Owners and notice thereof, stating the purpose, time and place of the meeting, shall be given not less than fifteen (15) days before such meeting. The amount of the maintenance assessment for each Parcel shall be determined by the Board of Directors as hereinafter provided, and such assessment shall be payable in one or more installments as determined by the Board of Directors without interest so long as not more than thirty (30) days delinquent. Written notice of such assessment shall be given to every Owner; but the failure to give such notice will not invalidate any otherwise proper assessment. In the absence of Board action to fix an annual maintenance assessment for the next fiscal year, the assessment then in effect will continue for such fiscal year until the Board adopts a new budget and fixes assessments thereunder.

(c) Parcel Fraction. The amount of the annual assessment, property tax assessments, if any, under paragraph 5.3, and special assessments under paragraph 5.4, allocable to each Parcel shall in each case be determined and assessed to each Parcel and the Owner thereof by multiplying the total of such assessment by a fraction (the "Parcel Fraction") the numerator of which shall be the number of votes allocated to such Parcel under section 3.2 hereof and the denominator of which shall be thirty-six (36). If any Parcel shall be subdivided, then the Association shall allocate a part of the Parcel Fraction to each sub-parcel based on the voting allocation certificate described in paragraph 3.2(c), or as otherwise directed in a certificate signed and delivered to the Association by the owners of all sub-parcels within the Parcel, or in the absence of both certificates, in accordance with the relative square footage of each sub-parcel that drains storm water run-off into the Lake.

(d) Budget Approval. If a budget is adopted by the Board of Directors which requires assessment against the Owners in any fiscal year exceeding 125% of such assessments for the preceding year (excluding ~~reserves~~ assessments for nonrecurring matters such as casualty losses), upon written application of twenty percent (20%) of the Owners to the board, a special meeting of the Owners shall be held upon not less than ten (10) days written notice to each Owner. The special meeting Owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. Which in either case, shall require a vote of not less than a majority of the total number of votes of all Owners.

5.3 Property Taxes. The Association shall timely pay any taxes or special assessments levied against the Association or its property, and shall assess each Owner as part of the maintenance assessment for the anticipated cost thereof. If the amount collected from maintenance assessments is insufficient to pay the taxes, then the Board may levy a special tax assessment and assess each Owner for his share thereof based on the Parcel's Fraction. In the Board's discretion, such special assessment may be payable in a lump sum within thirty (30) days after notice or in installments as determined by the Board. Each year the Board shall determine whether such special assessment shall be levied, and its amount, within thirty (30) days after receiving notice of the amount of taxes due.

5.4 Special Assessments for Capital Improvements. In addition to the annual maintenance assessment, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, renewal, repair, or replacement of a capital improvement to the Drainage Facilities, including fixtures and related personal property, provided that such assessment is approved by members entitled to vote not less than two-thirds (2/3) of the total votes within the Association.

5.5 Specific Assessments. Any and all accrued, liquidated indebtedness of any Owner to the Association arising under any provision of the Legal Documents, or any act or omission of the Owner or any occupant of such Owner's Parcel which is corrected or cured by the Association as permitted by the Legal Documents, also may be assessed by the Association against such Owner's Parcel after such Owner fails to pay it when due and such default continues for thirty (30) days after written notice.

*W. H. Allen  
J. H. Smith*  
5.6 Commencement of Annual Assessment. The annual assessment begins as to all Parcels within the Property on the first day of the month following the recording of this Declaration. The Association shall furnish to any interested Person a certificate signed by an officer of the Association setting forth whether the assessments against a specific Parcel have been paid and, if not, its unpaid balance. To defray its costs, the Association may impose a reasonable, uniform charge for issuing such certificates. A properly executed certificate of the Association as to the status of assessments on a Parcel is binding on the Association as of the date of issuance.

5.7 Lien for Assessments. All sums assessed to any Parcel, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, are secured by a lien on such Parcel in favor of the Association. This lien shall be effective upon recording of a claim of lien in compliance with Law which shall continue in effect until all sums secured by the lien have been paid in full, or as otherwise limited by Law. Claims of lien shall be signed by an officer of the Association. Such lien is subject and inferior to the lien for all sums secured by any recorded first mortgage, deed of trust or similar document securing an indebtedness, unless the Association's claim of lien is recorded prior to the recording of such instrument. Except for liens for all sums secured by a first mortgage, deed of trust or similar document, all other lienors acquiring liens on any Parcel after this Declaration is recorded are deemed to consent that such liens are inferior to the lien established by this Declaration, whether or not such consent is specifically set forth in the instrument creating such lien.

5.8 Remedies of the Association.

(a) General. Any assessment not paid within 30 days after its due date bears interest at the uniform rate established from time to time by the Board of Directors, not to exceed the maximum lawful rate from time to time permitted

under the laws of the State of Florida nor to be less than ten percent (10%) per annum, from the due date. The Association may bring an action at law against any Owner personally obligated to pay such assessment, or foreclose its lien against such Owner's Parcel. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the security of the Association's lien, or its priority.

(b) Foreclosure. The lien for sums assessed pursuant to this Article may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Owner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees. All such costs and expenses are secured by the lien foreclosed. Such Owner also is required to pay to the Association any assessments against the Parcel that become due during the period of foreclosure, which also are secured by the lien foreclosed and shall be accounted and paid as of the date the Owner's title is divested by foreclosure. The Association has the right and power to bid at the foreclosure or other legal sale to acquire the Parcel foreclosed, or to acquire such Parcel by deed or other proceeding or conveyance in lieu of foreclosure, and thereafter to hold, convey, lease, rent, encumber, use, and otherwise deal with such Parcel as an owner, but for purposes of resale only.

## ARTICLE VI

### OBLIGATIONS OF OWNERS

6.1 Compliance. Each Owner shall comply with the provisions of the Declaration and the reasonable Regulations of the Association.

6.2 Lake Shoreline Maintenance. The Owner of each Parcel having frontage on the Lake and the owner of the lands described on Exhibit A and identified therein as the "Lakeside Land" shall keep that portion of the lakeshore and the bank located adjacent to or within their property, clean, free of trash, and at all times maintained in a neat and attractive manner. The owner of the Lakeside Land and the Owner of any Parcel having frontage on, or containing within the property boundaries any drainage area shall keep the drainage area free of trash and debris and free of obstructions that would hinder the drainage.

6.3 Alteration of Shoreline. No person shall fill or allow to be filled any portion of the Lake, nor shall any person alter the location of the Lake shoreline, without the prior written consent of the Association and all owners of the Property or any portion thereof. Any consent to a filling of the Lake or modification of the shoreline shall be evidenced by amendment to this Supplemental Declaration signed by all the owners of the Property and the Association, and shall be recorded in the Public Records of Duval County, Florida.

6.4 Discharges into the Lake. Except for the normal drainage of storm water run-off from the improvements constructed on the Parcels (including any improvements hereinafter constructed in compliance with zoning, land use, water management and environmental laws and regulations), no Person shall discharge any substance into the Lake or the Drainage Facilities, nor shall any Person do or allow to be done anything that would deteriorate the quality or condition of the water of the Lake, without the prior written consent of the Association.

6.5 Association Authority. If the owner of the Lakeside Land or any Owner shall refuse or fail to timely perform the obligations and responsibilities set forth in this Article or otherwise fail to comply with the provisions of the Declaration, the Association may give such Person written notice specifying the violation of this Declaration, or the maintenance or repair item required, or such other matter as is the basis for the default. Each such Person shall cure such default within thirty (30) days of the Association's notice or commence within said thirty (30) day period to cure those items that cannot be reasonably cured in thirty (30) days. If (i) any such Person refuses or fails to timely comply with his obligations and responsibilities after the aforesaid notice from the Association and (ii) not less than two-thirds (2/3) of the members of the Association's Board of Directors so find after reasonable notice, and reasonable opportunity to be heard, then the Association may perform that Person's obligations as specified in the notice from the Association at such Person's expense and the cost thereof plus interest at the maximum lawful rate from time to time permitted under the laws of the State of Florida shall be specifically assessed against the lands owned by such Person's Parcel as elsewhere provided in this Declaration.

## ARTICLE VII

### GENERAL PROVISIONS

7.1 Enforcement. The Association or any Owner, has the right to enforce, by any appropriate legal proceeding, all restrictions, conditions, covenants, easements, reservations, liens, charges, rules, and regulations now or hereafter imposed by, or pursuant to, the provisions of the Legal Documents. If the Association is the prevailing party in any litigation involving the Legal Documents or any of the Association's Regulations, then the Association may recover all costs and expenses, including reasonable attorneys' fees incurred in trial and appellate proceedings. In no event may such costs and expenses be recovered against the Association, unless otherwise required by Law. If the Association is such a prevailing party, the costs and expenses, including reasonable attorneys' fees, may be assessed against the lands owned by the non-prevailing party, in the manner provided in the Article entitled "Covenant for Assessments". Failure by the Association or by any Owner to enforce any covenant, restriction, rule or regulation will not constitute a waiver of the right to do so at any time.

7.2 Term and Renewal. The grantee of any deed conveying the Property, a Parcel, or any portion thereof shall be deemed, by the acceptance of such deed, to have agreed to observe, comply with and be bound by the provisions of this Declaration. The provisions of this Declaration shall run with and bind the Lands, and shall inure to the benefit of and be enforceable by the Association or any Owner, their respective heirs, successors, and assigns, for a period of 40 years from the date this Declaration is recorded, except that the drainage easements described in Article II hereof shall exist perpetually. The provisions of this Declaration automatically shall be extended for successive renewal periods of ten years each, unless Owners holding not less than two-thirds (2/3) of the total votes in the Association elect not to reimpose them as evidenced by an instrument executed and recorded during the six months immediately preceding the beginning of any renewal period.

7.3 Amendment. Subject to specific amendment provisions of this Declaration which shall supersede the provisions of this paragraph, this Declaration may be amended by an instrument executed by the Association with the formalities from time to time required of a deed under the laws of the State of Florida and signed by those members holding not less than two-thirds (2/3) of

the total votes from time to time existing within the Association. Any amendment shall be recorded in the public records of the county in which the property is located.

7.4 Severability. Invalidation of any particular provision of the Legal Documents by judgment or court order will not affect any other provision, all of which will remain in full force and effect; provided, however, any Court of competent jurisdiction is empowered, to the extent practicable, to reform any otherwise invalid provision contained in the Legal Documents when necessary to avoid a finding of invalidity while effectuating Declarants' intent of providing a comprehensive drainage plan for the use, development, and beneficial enjoyment of the Lands.

IN WITNESS WHEREOF, the undersigned have executed this Declaration the date stated above.

WITNESSED BY:

BSM PARTNERS, a Florida general partnership

By: Beacon Realty Partnerships, Inc., a Florida corporation, General Partner

By: \_\_\_\_\_  
President

By: Stokes-McCaleb, Inc., a Florida corporation, General Partner

By: \_\_\_\_\_  
President

By: Beacon Capital Group, Inc. a Florida corporation, General Partner

By: \_\_\_\_\_  
President

MAYPORT ASSOCIATES, LTD., a Florida limited partnership

By: The Development Group, Inc., General Partner

By: \_\_\_\_\_  
President

LAKESIDE ASSOCIATES, LTD., a Florida limited partnership, General Partner

By: Beacon Realty Partnerships, Inc., a Florida corporation, General Partner

By: \_\_\_\_\_  
President

WITNESSED BY:

MAYPORT LAND PARTNERS, a  
Florida general partnership,

By: Beacon Realty Partnerships,  
Inc., a Florida corporation,  
General Partner

By: \_\_\_\_\_  
President

By: Beacon Capital Group, Inc.,  
a Florida corporation,  
General Partner

By: \_\_\_\_\_  
President

STOKES - MCCAULEY, INC., a  
Florida corporation,

By: \_\_\_\_\_  
President

DEERFIELD LAKE ASSOCIATES, LTD.,  
a Florida limited partnership

By: Mayport Beach Development,  
Inc., a Florida corporation,  
General Partner

By: \_\_\_\_\_  
Maurice F. Shave, President

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this  
day of \_\_\_\_\_, 1986, by Maurice F. Shave, the President  
of Mayport Beach Development, Inc., a Florida corporation, and a  
General Partner of Deerfield Lakes Associates, Ltd., a Florida  
limited partnership, on behalf of the partnership.

Notary Public, State of Florida  
at Large.

My Commission Expires:

(NOTARIAL SEAL)

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_, the President of Beacon Realty Partnership, Inc., a Florida corporation, and a General Partner of BSM Partners, a Florida general partnership, on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large.

My Commission Expires:

(NOTARIAL SEAL)

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_, the President of Stokes-McCaleb, Inc., a Florida corporation, and a General Partner of BSM Partners, a Florida general partnership, on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large.

My Commission Expires:

(NOTARIAL SEAL)

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_, the President of Beacon Capital Group, Inc., a Florida corporation, and a General Partner of BSM Partners, a Florida general partnership, on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large

My Commission Expires:

(NOTARIAL SEAL)

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_, the President of The Development Group, Inc., a Florida corporation and a General Partner of Mayport Associates, Ltd., a Florida limited partnership, on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large.

My Commission Expires:

(NOTARIAL SEAL)

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_ the \_\_\_\_\_ President of Beacon Realty Partnerships, Inc., a Florida corporation, and a General Partner of Lakeside Associates, Ltd., a Florida limited partnership, on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large.

My Commission Expires:

(NOTARIAL SEAL)

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_ the \_\_\_\_\_ President of Beacon Realty Partnerships, Inc., a Florida corporation and a General Partner of Mayport Land Partners, on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large.

My Commission Expires:

(NOTARIAL SEAL)

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_ the \_\_\_\_\_ President of Beacon Capital Corporation, Inc., a Florida corporation and a General Partner of Mayport Land Partners, on behalf of the partnership.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large.

My Commission Expires:

(NOTARIAL SEAL)

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1986, by \_\_\_\_\_ the \_\_\_\_\_ President of Stokes - McCaleb, Inc., on behalf of the corporation.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large.

My Commission Expires:

(NOTARIAL SEAL)

PARCEL B-1

BSM COMMERCIAL LAND

A portion of Lot 1, Division 4, Andrew Dewees Grant, Section 37, together with a portion of Section 5, and a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North  $01^{\circ}52'56''$  West, along the West line of Section 5, a distance of 436.92 feet to the South line of the Andrew Dewees Grant of said Section 37; thence South  $85^{\circ}32'54''$  East, along last said line, 432.31 feet to the Southwest corner of said Lot 1, Division 4 and the Andrew Dewees Grant; thence continue South  $85^{\circ}32'54''$  East, along the South line of said Lot 1, a distance of 425.03 feet; thence North  $17^{\circ}05'00''$  West, 852.14 feet; thence South  $88^{\circ}53'09''$  West, 188.10 feet to the West line of said Lot 1, Division 4 of the Andrew Dewees Grant; thence North  $01^{\circ}06'51''$  West, along last said line, and the West line of Lot 2, Division 4, of the Andrew Dewees Grant, 541.32 feet to an angle point in the West line of said Lot 2; thence North  $02^{\circ}19'55''$  West, continuing along the West line of said Lot 2, Division 4, a distance of 370.82 feet; thence North  $00^{\circ}36'55''$  West, along the West line of Lot 3, Division 4 of the Andrew Dewees Grant, 50.0 feet; thence North  $05^{\circ}19'54''$  West, along the West line of said Lot 3, Division 4, a distance of 503.75 feet to the Southwesterly right of way line of State Road No. A-1-A (according to S.R.D. Right of Way Map Section No. 7224-301, dated 5/4/53); thence South  $47^{\circ}22'25''$  East, along said Southwesterly right of way line, 2327.85 feet to the POINT OF BEGINNING; thence continue South  $47^{\circ}22'25''$  East, along said Southwesterly right of way line, 650.0 feet; thence Southeasterly along and around the arc of a curve being concave Northeasterly and having a radius of 520.87 feet, an arc distance of 361.40 feet, said arc being subtended by a chord bearing and distance of South  $17^{\circ}15'52''$  East, 354.20 feet to the Northerly line of those land designated as Parcel No. 16, described and recorded in Official Records Volume 2890, Page 687 of the Current Public Records of said County; thence Westerly, Southeasterly and Easterly along the boundary of said lands described in Official Records Volume 2890, Page 689, run the following three courses and distances: Course No. 1: North  $82^{\circ}23'07''$  West, 40.0 feet; Course No. 2: South  $22^{\circ}07'37''$  East, 80.62 feet; Course No. 3: South  $82^{\circ}23'07''$  East, 98.0 feet to the Westerly right of way line of Mayport Road (State Road No. 101, according to S.R.D. Right of Way Map Section 72230-2901, dated 1/23/80); thence Southerly along the Westerly right of way line of Mayport Road, and along the arc of a curve concave Easterly and having a radius of 5779.578, an arc distance of 398.67 feet, said arc being subtended by a chord bearing and distance of South  $05^{\circ}17'31''$  West, 398.59 feet to the North line of those lands described and recorded in Official Record Volume 4346, Page 1167, thence South  $88^{\circ}18'45''$  West, along last said line, and the Westerly prolongation thereof, 360.62 feet; thence North  $01^{\circ}41'15''$  West, 340.0 feet; thence North  $15^{\circ}35'49''$  West, 397.56 feet; thence North  $47^{\circ}22'25''$  West, 453.22 feet; thence North  $02^{\circ}22'25''$  West, 45.0 feet; thence North  $42^{\circ}37'35''$  East, 263.18 feet to the POINT OF BEGINNING.

LESS AND EXCEPT:

PARCEL B-1  
BSM COMMERCIAL LAND

A portion of Lot 1, Division 4, Andrew Dewees Grant, Section 37, together with a portion of Section 5, and a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5, Township 2 South, Range 29 East; thence North 01°52'56" West, along the West line of said Section 5, a distance of 436.92 feet to the South line of the Andrew Dewees Grant, of said Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of said Lot 1, Division 4 of the Andrew Dewees Grant; thence South 03°31'46" East, 909.14 feet to the Northerly right of way line of Assisi Lane (according to S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Easterly along said Northerly right of way line, run the following five courses and distances: Course No. 1: North 88°18'45" East, 823.14 feet; Course No. 2: North 01°41'15" West, 10.00 feet; Course No. 3: North 88°18'45" East, 50.00 feet; Course No. 4: South 01°41'15" East, 10.00 feet; Course No. 5: North 88°18'45" East, 1122.27 feet to an intersection with the arc of a curve leading Northeasterly; thence along and around the arc of a curve concave Easterly and having a radius of 5979.578 feet, an arc distance of 249.97 feet, said arc being subtended by a chord bearing and distance of North 01°57'02" East, 249.94 feet to the POINT OF BEGINNING; thence South 88°18'45" West, 159.88 feet; thence North 01°41'15" West, 340.00 feet; thence North 15°35'49" West, 242.66 feet; thence North 74°24'11" East, 75.00 feet; thence North 88°18'42" East, 230.02 feet; thence South 22°07'37" East, 194.23 feet to the Southerly line of those lands described and recorded in Official Records Volume 2890, Page 689 of the Current Public Records of said County; thence South 82°23'07" East, along last said line, 98.0 feet to the Westerly right of way line of Mayport Road and/or State Road No. 101 (as per S.R.D. Right of Way Map Section 72230-2901, dated 1/23/80), said right of way line being in a curve leading Southwesterly; thence along and around the arc of a curve concave Easterly and having a radius of 5779.578 feet, an arc distance of 398.67 feet, said arc being subtended by a chord bearing and distance of South 05°17'31" West, 398.59 feet; thence South 88°18'45" West, 200.74 feet to the POINT OF BEGINNING.

Containing 4.935 acres, more or less.

And together with the following described parcel:

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, lying left of and within 40 feet of, as measured radial to the following described line: COMMENCE at the Southwest corner of Section 5, Township 2 South, Range 29 East, Duval County, Florida; thence North 01°52'56" West, along the West line of said Section 5, a distance of 436.92 feet to the South line of the Andrew Dewees Grant, of Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of said Lot 1, Division 4 and the Andrew Dewees Grant; thence South 03°31'46" East, 909.14 feet to the Northerly right of way line of Assisi Lane (according to S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Easterly along said Northerly right of way line run the following five courses and distances: Course No. 1: North 88°18'45" East, 823.14 feet; Course No. 2: North 01°41'15" West, 10.0 feet; Course No. 3: North 88°18'45" East, 50.0 feet; Course No. 4: South 01°41'15" East, 10.0 feet; Course No. 5: North 88°18'45" East, 1122.27 feet to the intersection with the arc of a curve leading Northeasterly and the POINT OF BEGINNING; thence Northeasterly along and around the arc of said curve being concave Easterly and having a radius of 5979.578 feet, an arc distance of 249.97 feet, said arc being subtended by a chord bearing and distance of North 01°57'02" East, 249.94 feet to the POINT OF TERMINATION of said easement. Said easement being bounded on the North by a line bearing North 88°18'45" East, and passing through the Point of Termination. Bounded on the South by the said Northerly right of way line of Assisi Lane, said line bearing North 88°18'45" East and passing through the Point of Beginning. It is the intent of the above description that the side lines be lengthened and/or shortened as necessary to form a single continuous parcel (40 feet in width).

PARCEL C

DEERFIELD MULTI-FAMILY LAND

A portion of Lot 1, Division 4, Andrew Dewees Grant, Section 37, together with a portion of Section 5, together with a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida and being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'56" West, along the West line of said Section 5, a distance of 436.92 feet to the South line of the Andrew Dewees Grant of said Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of said Lot 1, Division 4, Andrew Dewees Grant; thence South 03°31'46" East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northeasterly, Northwesterly, Northeasterly and Southeasterly and Northeasterly along said Northerly right of way line of Assisi Lane, run the following five courses and distances: Course No. 1: North 88°18'45" East, 823.14 feet; Course No. 2: North 01°41'15" West, 10.0 feet; Course No. 3: North 88°18'45" East, 50.0 feet; Course No. 4: South 01°41'15" East, 10.0 feet; Course No. 5: North 88°18'45" East, 341.12 feet to the POINT OF BEGINNING; thence North 01°41'15" West, 200.0 feet; thence North 62°07'42" West, 74.83 feet; thence North 15°43'13" West, 505.22 feet; thence North 09°59'05" East, 116.94 feet; thence North 08°04'52" West, 171.88 feet; thence North 15°49'24" West, 320.0 feet; thence North 40°23'58" West, 179.92 feet; thence North 38°09'54" East, 190.53 feet; thence South 15°49'24" East, 757.14 feet; thence South 49°39'57" East, 414.71 feet; thence North 71°22'18" East, 382.78 feet; thence South 15°35'49" East, 123.25 feet; thence South 01°41'15" East, 340.0 feet; thence North 88°18'45" East, 119.74 feet to an intersection with the arc of a curve leading Southwesterly; thence along and around the arc of a curve concave Easterly and having a radius of 6019.58 feet an arc distance of 249.96 feet, said arc being subtended by a chord bearing and distance of South 01°55'34" West, 249.94 feet to the intersection with the Northerly right of way line of said Assisi Lane; thence South 88°18'45" West, along said Northerly right of way line, 741.12 feet to the POINT OF BEGINNING.

Containing 14.0 acres, more or less.

PARCEL D

MAYPORT LAND MULTI-FAMILY LAND

A portion of Lot 1, Division 4, Andrew Dawes Grant, Section 37, together with a portion of Section 3, together with a portion of Government Lots 3 and 4, Section 8, all being in Township 2 South, Range 28 East, Duval County, Florida, being more particularly described as follows: ~~COMMENCE~~ at the Southwest corner of said Section 3; thence North 01°52'48" West, along the West line of said Section 3, a distance of 438.82 feet to the South line of the Andrew Dawes Grant of said Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of said Lot 1, Division 4, Andrew Dawes Grant; thence South 03°31'48" East, 808.14 feet to the Northerly right of way line of Assisi Lane (as per U.R.D. Right of Way Map, Section 72011-2801, dated 7/24/76); thence Northeasterly, Northwesterly, Northeasterly, Southeasterly and Northeasterly along said Northerly right of way line of Assisi Lane, run the following five courses and distances: Course No. 1: North 88°18'45" East, 823.14 feet; Course No. 2: North 01°41'15" West, 10.0 feet; Course No. 3: North 88°18'45" East, 50.0 feet to the POINT OF BEGINNING; Course No. 4: South 01°41'15" East, 10.0 feet; Course No. 5: North 88°18'45" East, 341.12 feet; thence North 01°41'15" West, 200.00 feet; thence North 82°07'42" West, 74.83 feet; thence North 15°43'13" West, 505.22 feet; thence North 09°59'05" East, 116.94 feet; thence North 08°04'52" West, 171.88 feet; thence North 15°49'24" West, 320.00 feet; thence North 40°23'58" West, 179.92 feet; thence North 38°09'54" East, 190.53 feet; thence North 15°49'24" West, 51.82 feet; thence North 80°38'34" West, 40.00 feet; thence South 30°34'05" West, 333.32 feet; thence South 26°04'33" East, 20.87 feet; thence South 31°11'40" West, 103.21 feet; thence South 15°20'49" East, 58.28 feet; thence South 40°10'00" East, 52.19 feet to the point of curvature of a curve leading Southeasterly; thence along and around the arc of a curve concave Northeasterly and having a radius of 176.38 feet, an arc distance of 46.96 feet, said arc being subtended by a chord bearing and distance of South 47°47'37" East, 46.82 feet to the point of reverse curvature of a curve leading Southeasterly; thence along and around the arc of a curve concave Southwesterly and having a radius of 82.73 feet, an arc distance of 29.43 feet, said arc being subtended by a chord bearing and distance of South 41°58'45" East, 29.16 feet; thence South 29°03'15" West, 129.18 feet; thence North 60°56'45" West, 127.60 feet; thence South 30°58'35" West, 75.33 feet; thence South 72°20'00" West, 4.65 feet; thence South 09°31'02" West, 150.98 feet to an intersection with the arc of a curve leading Southwesterly; thence along and around the arc of a curve concave Southeasterly and having a radius of 45.0 feet, an arc distance of 47.12 feet, said arc being subtended by a chord bearing and distance of South 22°05'13" West, 45.0 feet; thence North 80°16'22" West, 172.00 feet; thence South 17°05'00" East, 100.00 feet to the South line of said Lot 1, Division 4, Andrew Dawes Grant, Section 37; thence North 85°32'54" West, along last said line, 26 feet, more or less, to the centerline of Pucket Creek; thence Southwesterly, Northeasterly and Southeasterly along said centerline of Pucket Creek, 1077 feet, more or less, to an intersection with the Northerly right of way line of aforesaid Assisi Lane; thence North 88°18'45" East, along said Northerly right of way line, 26 feet, more or less, to the POINT OF BEGINNING.

Containing 15.3 acres, more or less.

ASSOCIATE'S LAND DRAINAGE EASEMENTS

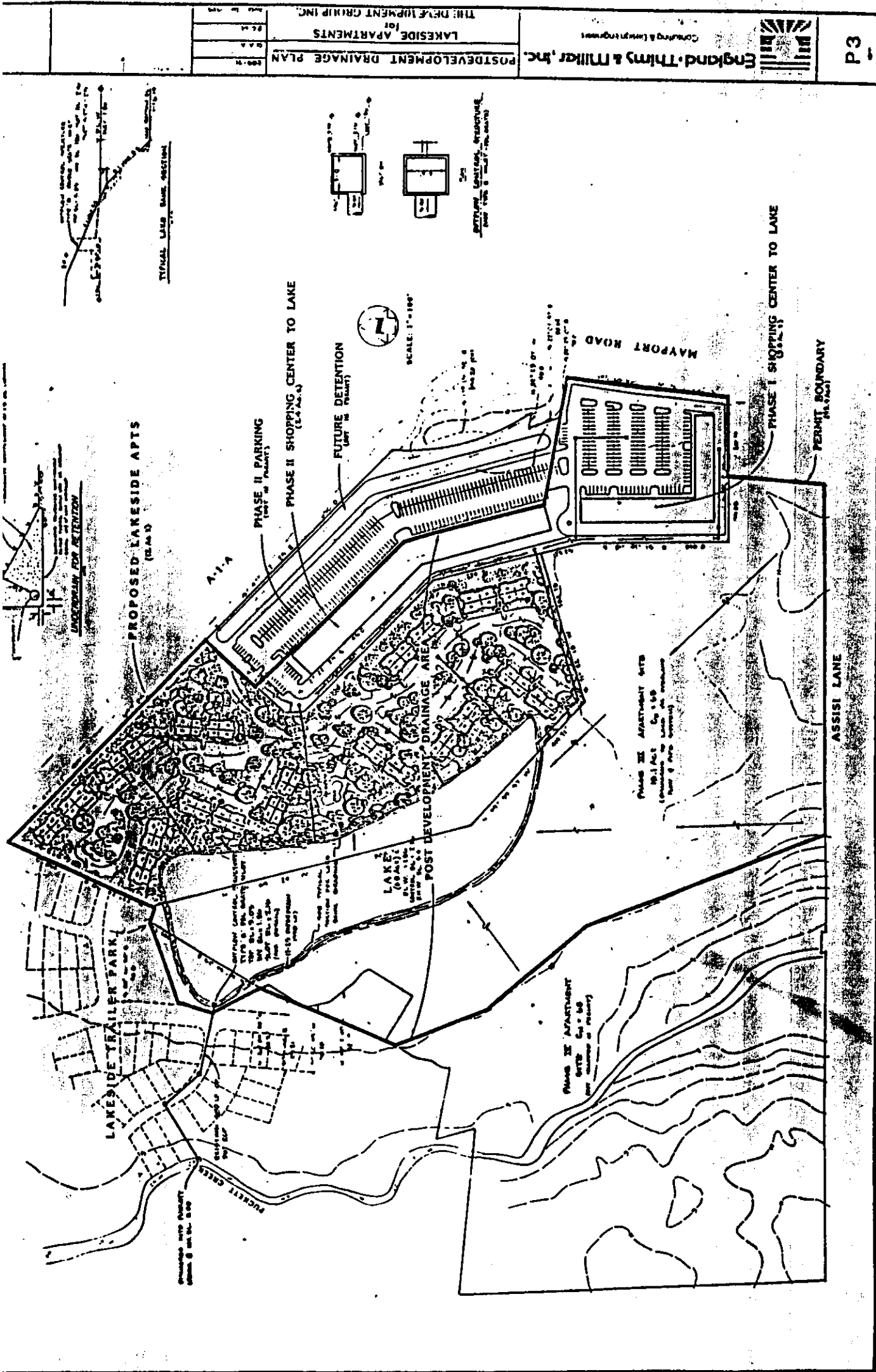
15 FOOT EASEMENT: 'B'

A portion of Lot 1, Division 4, Andrew Dewees Grant, Section 37, Township 2 South, Range 29 East, Duval County, Florida, lying right of and within 7.5 feet, as measured at right angles to, and left of and within 7.5 feet, as measured at right angles to the following described line: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'56" West, along the West line of Section 5, a distance of 438.92 feet to the South line of the Andrew Dewees Grant, of said Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of said Lot 1, Division 4, Andrew Dewees Grant; thence continue South 85°32'54" East, along the South line of said Lot 1, a distance of 425.03 feet; thence North 17°05'00" West, 852.14 feet; thence South 88°53'09" West, 188.10 feet to the West line of said Lot 1, Division 4, of the Andrew Dewees Grant; thence North 01°06'51" West, along last said line and the West line of said Lot 2, Division 4 of the Andrew Dewees Grant, 541.32 feet to an angle point in the West line of said Lot 2; thence North 02°19'55" West, continuing along the West line of said Lot 2, Division 4, a distance of 370.82 feet; thence North 00°38'55" West, along the West line of Lot 3, Division 4 of the Andrew Dewees Grant, 50.0 feet; thence North 05°19'54" West, along the West line of said Lot 3, Division 4, a distance of 503.75 feet to the Southwesterly right of way line of State Road No. A-1-A (according to S.R.D. Right of Way Map Section No. 7224-301, dated 5/4/53); thence South 47°22'25" East, along said Southwesterly right of way line, 2327.85 feet; thence South 42°37'35" West, 260.68 feet to the POINT OF BEGINNING; thence North 46°22'25" West, 72.5 feet; thence North 78°22'25" West, 160.0 feet; thence South 77°37'35" West, 122.41 feet to the POINT OF TERMINATION. Said easement being bounded on the Southeast by a line bearing South 42°37'35" West and passing through the Point of Beginning and being further bounded on the Southeast by a line which intersects the aforesaid line and bearing North 02°22'25" West, bounded on the West by a line bearing North 03°06'53" West and passing through said Point of Termination. It is the intent of the above description that the side lines be lengthened and/or shortened as necessary to form a single continuous parcel (15 feet in width).

ASSOCIATE'S LAND DRAINAGE EASEMENTS

15 FOOT EASEMENT: "C"

A portion of Lot 1, Division 4, Andrew Dewees Grant, Section 37, Township 2 South, Range 29 East, Duval County, Florida, lying right of and within 7.5 feet, as measured at right angles to, and left of and within 7.5 feet, as measured at right angles to the following described line: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'58" West, along the West line of Section 5, a distance of 438.92 feet to the South line of the Andrew Dewees Grant, of said Section 37; thence South 85°32'54" East, along said line, 432.31 feet to the Southwest corner of said Lot 1, Division 4, Andrew Dewees Grant; thence continue South 85°32'54" East, along the South line of said Lot 1, a distance of 425.03 feet; thence North 17°05'00" West, 852.14 feet; thence South 88°53'09" West, 188.10 feet to the West line of said Lot 1, Division 4, of the Andrew Dewees Grant; thence North 01°06'51" West, along said line and the West line of said Lot 2, Division 4 of the Andrew Dewees Grant, 541.32 feet to an angle point in the West line of said Lot 2; thence North 02°19'55" West, continuing along the West line of said Lot 2, Division 4, a distance of 370.82 feet; thence North 00°38'55" West, along the West line of Lot 3, Division 4 of the Andrew Dewees Grant, 50.0 feet; thence North 05°19'54" West, along the West line of said Lot 3, Division 4, a distance of 503.75 feet to the Southwesterly right of way line of State Road No. A-1-A (according to S.R.D. Right of Way Map Section No. 7224-301, dated 5/4/53); thence South 47°22'25" East, along said Southwesterly right of way line, 2327.85 feet; thence South 42°37'35" West, 263.18 feet; thence South 02°22'25" East, 45.0 feet; thence South 47°22'25" East, 453.22 feet; thence South 15°35'49" East, 11.0 feet to the POINT OF BEGINNING; thence South 84°24'11" West 135.0 feet; thence South 59°24'11" West, 95.0 feet; thence South 41°54'11" West, 125.0 feet; thence South 71°54'11" West, 44.39 feet to the POINT OF TERMINATION. Said easement being bounded on the East by a line bearing North 15°35'49" West and passing through the Point of Beginning, bounded on the West by a line bearing South 42°09'54" East and passing through the Point of Termination and being further bounded on the West by a line which intersects the aforesaid line bearing North 15°51'42" West. It is the intent of the above description that the side lines be lengthened and/or shortened as necessary to form a single continuous parcel (15 feet in width).



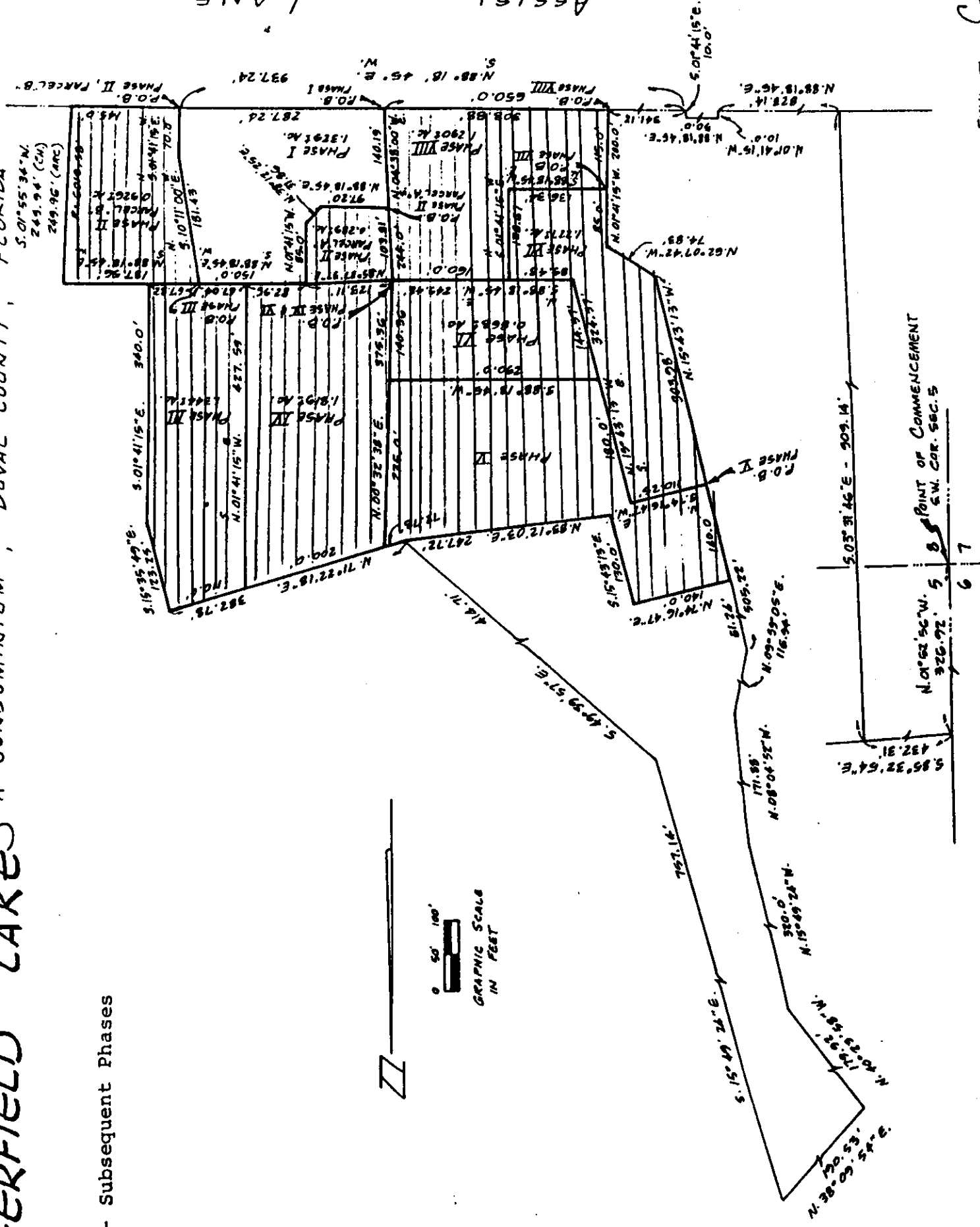
# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



- Subsequent Phases



GRAPHIC SCALE  
IN FEET

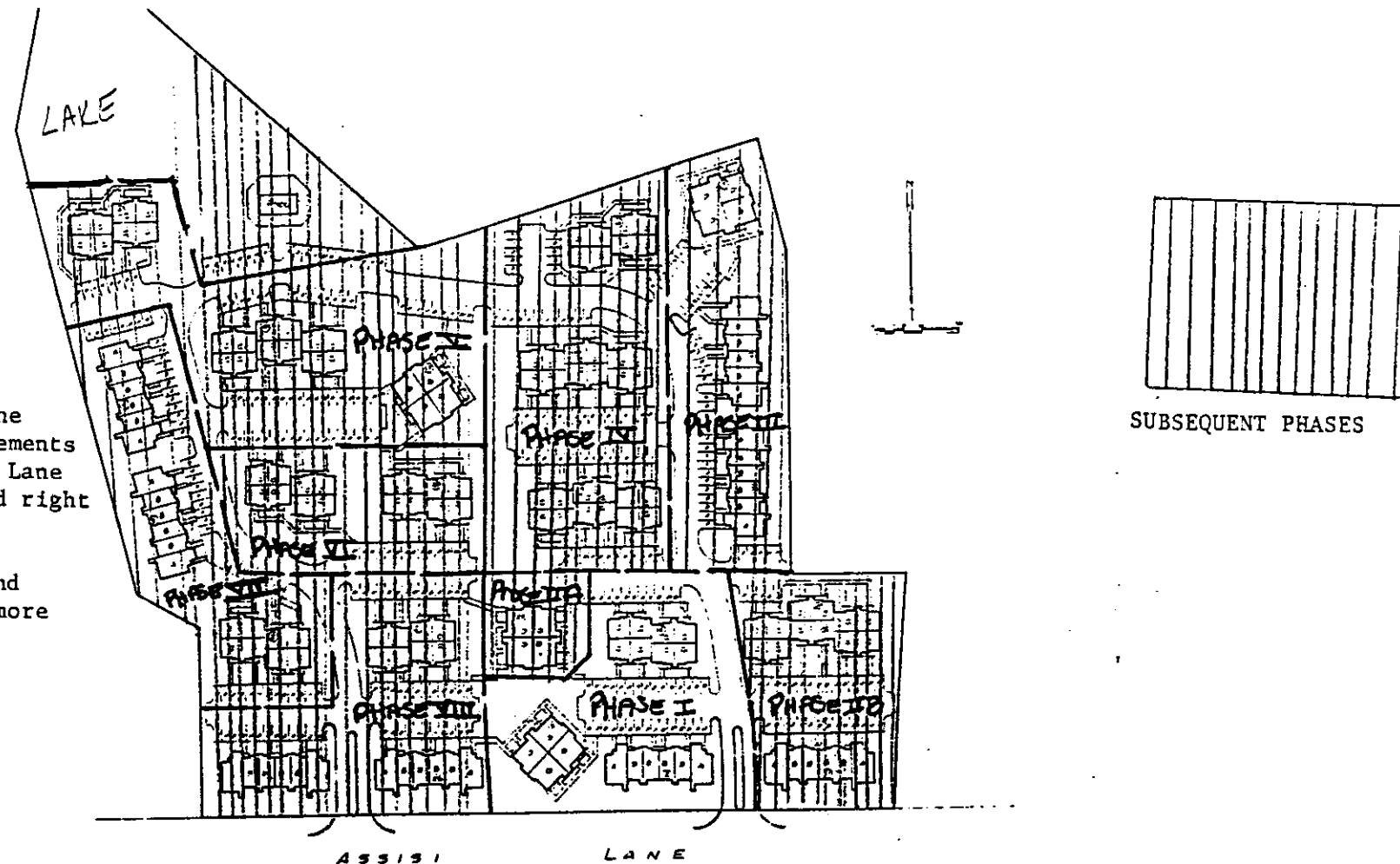


POINT OF COMMENCEMENT  
N. 01°52'50"W. 5  
326.92' S.W. COR. SEC. 5

# DEERFIELD LAKE A CONDOMINIUM, DUVAL COUNTY, FLORIDA

## Notes:

1. Ingress and egress is over the roads constituting common elements of the Condominium to Assisi Lane which is a publicly dedicated right of way.
2. The Units, common elements and limited common elements are more fully depicted in Exhibit D.
3. "P" depicts parking areas.

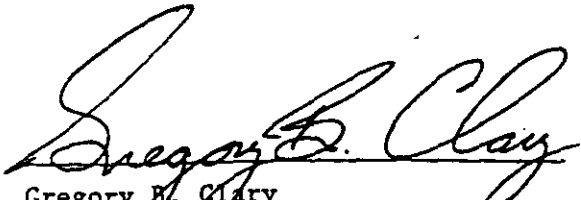


# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

## CERTIFICATION:

This is to certify that, in accordance with the provisions of Section 718.104 (4) (e), Florida Statutes, that the construction of the improvements described is substantially complete so that the material, together with the provisions of the Declaration of Condominium of Deerfield Lake, Phase I, A Condominium, describing of condominium property is an accurate representation of the location and dimensions of the improvements and further that the identification, location and dimensions of the improvements of each unit can be determined from these materials.

Signed this 31 day of December A.D., 1986.

  
Gregory B. Clary  
Registered Land Surveyor No. 3377  
State of Florida

## PREPARED BY:

Clary, Miller & Associates, Inc.  
4041 Sunbeam Road  
Jacksonville, Florida 32217  
904/733-8119

LEGAL DESCRIPTION  
SUBSEQUENT PHASES

PHASE II. PARCEL A

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows; COMMENCE at the Southwest corner of Section 5, Township 2 South, Range 29 East; thence North  $01^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 326.92 feet; to the South line of the Andrew Dewees Grant, of Section 37; thence South  $85^{\circ}32'54''$  East, along last said line 432.31 feet, to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane, as per SRD right of way map, Section 72011-2501, dated 7-24-75; thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along the said Northly right of way line of Assisi Lane and the following 5 Courses and Distances; COURSE No. 1; North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE No. 2; North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE No. 3; North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE No. 4; South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE No. 5; North  $88^{\circ}18'45''$  East, 650 feet; thence North  $04^{\circ}38'00''$  West, 140.19 feet to the POINT OF BEGINNING; thence continue North  $04^{\circ}38'00''$  West, 103.81 feet North  $85^{\circ}37'37''$  East, 123.11 feet; thence South  $01^{\circ}41'15''$  East, 85.0 feet; thence South  $38^{\circ}12'25''$  West, 31.86 feet; thence South  $88^{\circ}18'45''$  West, 97.20 feet to the POINT OF BEGINNING.

Containing 0.289 acres, more or less.

The foregoing descriptions of subsequent phases may be slightly adjusted to accommodate the as-built buildings.

DEERFIELD LAKES

EXHIBIT "A"  
LEGAL DESCRIPTION

PHASE 1:

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'56" West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant of Section 37; thence South 85°32'54" East, along last saidline, 432.31 feet to the Southwest corner of Lot 1, Division 4 of the Andrew Dewees Grant; thence South 03°31'46" East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly along said Northerly right of way line of Assisi Lane, run the following five courses and distance; COURSE NO. 1: North 88°18'45" East, 823.14 feet; COURSE NO. 2: North 01°41'15" West, 10.0 feet; COURSE NO. 3: North 88°18'45" East, 50.0 feet; COURSE NO. 4: South 01°41'15" East, 10.0 feet; COURSE NO. 5: North 88°18'45" East, 650.0 feet to the POINT OF BEGINNING; thence North 04°38'00" West, 140.19 feet; thence North 88°18'45" East, 97.20 feet; thence North 38°12'25" East, 31.86 feet; thence North 01°41'15" West, 85.0 feet; thence North 88°18'45" East, 150.0 feet; thence South 10°11'00" East, 181.43 feet; thence South 01°41'15" East, 70.0 feet to the Northerly right of way line of said Assisi Lane; thence South 88°18'45" West, along said Northerly right of way line 287.24 feet to the POINT OF BEGINNING.

Containing 1.329 acres, more or less.

SUBJECT TO:

1. Easement recorded in Deed Book 1015, page 266 of the current public records of Duval County, Florida.
2. Declaration of Drainage Easement recorded in Official Records Volume 6057, page 2012 of the current public records of Duval County, Florida.
3. Southern Bell Telephone and Telegraph Company Easement recorded in Official Records Volume 6137, page 573 of the public records of Duval County, Florida.

DEERFIELD LAKES

A CONDOMINIUM DUVAL COUNTY FLORIDA

EXHIBIT

SHEET

PAGE II. PARCEL 'B'

portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows; COMMENCE at the Southwest corner of Section 5, Township 2 South, Range 29 East; thence North  $10^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 326.92 feet; to the South line of the Andrew Dewees Grant, of Section 37; thence South  $85^{\circ}32'54''$  East, along last said line 32.31 feet, to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane, as per RD right of way map, Section 72011-2501, dated 7-24-75; thence northeasterly, Northwesterly, Northeasterly, Southeasterly, and northeasterly, along the said Northerly right of way line of Assisi Lane and the following 5 Courses and Distances; COURSE No. 1; North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE No. 2; North  $10^{\circ}41'15''$  West, 10.0 feet; COURSE No. 3; North  $88^{\circ}18'45''$  East, 0.0 feet; COURSE No. 4; South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE No. 5; North  $88^{\circ}18'45''$  East, 937.24 feet, to the POINT OF BEGINNING; thence North  $01^{\circ}41'15''$  West, 70.0 feet thence North  $10^{\circ}11'00''$  West 181.43 feet; thence North  $88^{\circ}18'45''$  East 187.56 feet to the arc of a curve to the Southwest; thence Southwesterly along and around the arc of a curve concave southeasterly and having a radius of 6019.58 feet; an arc distance of 249.96 feet said arc being subtended by a chord bearing and distance of South  $01^{\circ}55'34''$  West, 249.94 feet to the foresaid Northerly right of way line of Assisi Lane; thence South  $88^{\circ}18'45''$  West, along last said line 145.0 feet the POINT OF BEGINNING.

containing 0.926 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM, DUVAL COUNTY, FLORIDA

PHASE III:

A portion of Section 5, together with a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, and being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North  $01^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant, of Section 37; thence South  $85^{\circ}32'54''$  East, along last said line, 432.31 feet to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along said Northerly right of way line of Assisi Lane, run the following five courses and distances; COURSE NO. 1; North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE NO. 2; North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE NO. 3; North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE NO. 4; South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE NO. 5; North  $88^{\circ}18'45''$  East, 937.24 feet; thence North  $01^{\circ}41'15''$  West, 70.0 feet; thence North  $10^{\circ}11'00''$  West, 181.43 feet to the POINT OF BEGINNING; thence South  $88^{\circ}18'45''$  West, 67.04 feet; thence North  $01^{\circ}41'15''$  West, 427.59 feet; thence North  $71^{\circ}22'18''$  East, 110.0 feet; thence South  $15^{\circ}35'49''$  East, 123.25 feet; thence South  $01^{\circ}41'15''$  East 340.0 feet; thence South  $88^{\circ}18'45''$  West, 67.82 feet to the POINT OF BEGINNING.

Containing 1.344 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM, DUVAL COUNTY, FLORIDA

PHASE IV:

A portion of Section 5, together with a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, and being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'58" West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant, of Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence ~~South 03°31'40"~~ East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along said Northerly right of way line of Assisi Lane, run the following five courses and distances; COURSE NO. 1; North 88°18'45" East, 823.14 feet; COURSE NO. 2; North 01°41'15" West, 10.0 feet; COURSE NO. 3; North 88°18'45" East, 50.0 feet; COURSE NO. 4; South 01°41'15" East, 10.0 feet; COURSE NO. 5; North 88°18'45" East, 650.0 feet; thence North 04°38'00" West, 244.0 feet to the POINT OF BEGINNING; thence North 00°32'38" East, 375.36 feet; thence North 71°22'18" East, 200.0 feet; thence South 01°41'15" East, 427.59 feet; thence South 88°18'45" West, 82.96 feet; thence South 85°37'37" West, 123.11 feet to the POINT OF BEGINNING.

Containing 1.819 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM      DUVAL COUNTY      FLORIDA

EXHIBIT

SHEET

**PHASE V:**

A portion of Section 5, together with a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, and being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'56" West, along the West line of said Section 5, a distance of 328.92 feet to the South line of the Andrew Dewees Grant, of Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence ~~South 03°31'46" East~~, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along said Northerly right of way line of Assisi Lane, run the following five courses and distances; COURSE NO. 1; North 88°18'45" East, 823.14 feet; COURSE NO. 2; North 01°41'15" West, 10.0 feet; COURSE NO. 3; North 88°18'45" East, 50.0 feet; COURSE NO. 4; South 01°41'15" East, 10.0 feet; COURSE NO. 5; North 88°18'45" East, 341.12 feet; thence North 01°41'15" West, 200.0 feet; thence North 62°07'42" West, 74.83 feet; thence North 15°43'13" West, 303.98 feet to the POINT OF BEGINNING; thence continue North 15°43'13" West, 140.0 feet; thence North 74°16'47" East, 140.0 feet; thence South 15°43'13" East, 130.0 feet; thence North 83°12'03" East, 247.72 feet; thence North 71°22'18" East, 72.78 feet; thence South 00°32'38" West, 235.0 feet; thence South 88°18'45" West, 290.0 feet; thence North 15°43'13" West, 180.0 feet; thence South 74°16'47" West, 110.25 feet to the POINT OF BEGINNING.

Containing .1951 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM DEED COUNTY FLORIDA

EXHIBIT

SHEET

PHASE VI:

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North  $01^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant of Section 37; thence South  $85^{\circ}32'54''$  East, along last saidline, 432.31 feet to the Southwest corner of Lot 1, Division 4 of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly along said Northerly right of way line of Assisi Lane, run the following five courses and distance; COURSE NO. 1: North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE NO. 2: North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE NO. 3: North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE NO. 4: South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE NO. 5: North  $88^{\circ}18'45''$  East, 650.0 feet; thence North  $04^{\circ}38'00''$  West, 244.0 feet to the POINT OF BEGINNING; thence South  $88^{\circ}18'45''$  West, 249.48 feet; thence North  $15^{\circ}43'13''$  West, 144.57 feet; thence North  $88^{\circ}18'45''$  East, 290.00 feet; thence South  $00^{\circ}32'38''$  West, 140.36 feet to the POINT OF BEGINNING

Containing 0.868 acres, more or less.

DEERFIELD LAKES

DUVAL COUNTY, FLORIDA

EXHIBIT

SHEET

PHASE VII:

A portion of Section 5, together with a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, and being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North  $01^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant, of Section 37; thence South  $85^{\circ}32'54''$  East, along last said line, 432.31 feet to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along said Northerly right of way line of Assisi Lane, run the following five courses and distances; COURSE NO. 1: North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE NO. 2: North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE NO. 3: North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE NO. 4: South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE NO. 5: North  $88^{\circ}18'45''$  East, 341.12 feet; thence North  $01^{\circ}41'15''$  West, 115.00 feet to the POINT OF BEGINNING; thence continue North  $01^{\circ}41'15''$  West, 85.0 feet; thence North  $62^{\circ}07'42''$  West, 74.83 feet; thence North  $15^{\circ}43'13''$  West, 303.98 feet; thence North  $74^{\circ}16'47''$  East, 110.25 feet; thence South  $15^{\circ}43'13''$  East, 324.57 feet; thence North  $88^{\circ}18'45''$  East, 89.48 feet; thence South  $01^{\circ}41'15''$  East, 128.67 feet; thence South  $88^{\circ}18'45''$  West, 136.34 feet to the POINT OF BEGINNING.

Containing 1.227 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM, DUVAL COUNTY, FLORIDA

EXHIBIT

SHEET

PHASE VIII:

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North  $01^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant of Section 37; thence South  $85^{\circ}32'54''$  East, along last saidline, 432.31 feet to the Southwest corner of Lot 1, Division 4 of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly along said Northerly right of way line of Assisi Lane, run the following five courses and distance; COURSE NO. 1: North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE NO. 2: North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE NO. 3: North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE NO. 4: South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE NO. 5: North  $88^{\circ}18'45''$  East, 341.12 feet to the POINT OF BEGINNING; thence North  $01^{\circ}41'15''$  West, 115.0 feet; thence North  $88^{\circ}18'45''$  East, 136.34 feet; thence North  $01^{\circ}41'15''$  West, 128.67 feet; thence North  $88^{\circ}18'45''$  East, 160.0 feet; thence South  $04^{\circ}38'00''$  East, 244.00 feet to the aforesaid Northerly right of way line of Assisi Lane; thence South  $88^{\circ}18'45''$  West, along last said line 308.88 feet to the POINT OF BEGINNING.

Containing 1.290 acres, more or less.

DEERFIELD LAKES

MINIMUM DUVAL COUNTY FLORIDA

EXHIBIT B

FRACTIONAL SHARE OF COMMON ELEMENTS,  
COMMON EXPENSES AND COMMON SURPLUS

Each Unit in Deerfield Lakes, A Condominium shall have an equal share of ownership of the Common Elements and Common Surplus and an equal obligation to pay the Common Expenses. Upon the addition of Units in any Subsequent Phase, the fractional share will be amended to a fraction, the numerator of which is "1" and the denominator of which the total number of Units in the Condominium. The actual fractional share will be set forth in the amendment subjecting the Units.

Upon recording of the Declaration the Units in Phase I as more fully described below, shall have a fractional share of common elements, common expenses and common surplus equal to 1/22nd.

| Units in Phase I | Fractional Share |
|------------------|------------------|
| 1201 - 1206      | 1/22nd           |
| 1301 - 1308      | 1/22nd           |
| 1401 - 1408      | 1/22nd           |

EXHIBIT C  
SITE PLAN AND SURVEY

PHASE 1:

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'56" West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant of Section 37; thence South 85°32'54" East, along last saidline, 432.31 feet to the Southwest corner of Lot 1, Division 4 of the Andrew Dewees Grant; thence South 03°31'46" East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501 dated 7/24/75); thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly along said Northerly right of way line of Assisi Lane, run the following five courses and distance; COURSE NO. 1: North 88°18'45" East, 823.14 feet; COURSE NO. 2: North 01°41'15" West, 10.0 feet; COURSE NO. 3: North 88°18'45" East, 50.0 feet; COURSE NO. 4: South 01°41'15" East, 10.0 feet; COURSE NO. 5: North 88°18'45" East, 650.0 feet to the POINT OF BEGINNING; thence North 04°38'00" West, 140.19 feet; thence North 88°18'45" East, 97.20 feet; thence North 38°12'25" East, 31.86 feet; thence North 01°41'15" West, 85.0 feet; thence North 88°18'45" East, 150.0 feet; thence South 10°11'00" East, 181.43 feet; thence South 01°41'15" East, 70.0 feet to the Northerly right of way line of said Assisi Lane; thence South 88°18'45" West, along said Northerly right of way line 287.24 feet to the POINT OF BEGINNING

Containing 1.329 acres, more or less.

DEERFIELD LAKES

PHASE II. PARCEL A

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows; COMMENCE at the Southwest corner of Section 5, Township 2 South, Range 29 East; thence North  $01^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 326.92 feet; to the South line of the Andrew Dewees Grant, of Section 37; thence South  $85^{\circ}32'54''$  East, along last said line 432.31 feet, to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane, as per SRD right of way map, Section 72011-2501, dated 7-24-75; thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along the said Northly right of way line of Assisi Lane and the following 5 Courses and Distances; COURSE No. 1; North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE No. 2; North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE No. 3; North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE No. 4; South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE No. 5; North  $88^{\circ}18'45''$  East, 650 feet; thence North  $04^{\circ}38'00''$  West, 140.19 feet to the POINT OF BEGINNING; thence continue North  $04^{\circ}38'00''$  West, 103.81 feet North  $85^{\circ}37'37''$  East, 123.11 feet; thence South  $01^{\circ}41'15''$  East, 85.0 feet; thence South  $38^{\circ}12'25''$  West, 31.86 feet; thence South  $88^{\circ}18'45''$  West, 97.20 feet to the POINT OF BEGINNING.

Containing 0.289 acres, more or less.

DEERFIELD LAKES

PHASE II. PARCEL 'B'

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows; COMMENCE at the Southwest corner of Section 5, Township 2 South, Range 29 East; thence North  $01^{\circ}52'58''$  West, along the West line of said Section 5, a distance of 328.92 feet; to the South line of the Andrew Dewees Grant, of Section 37; thence South  $85^{\circ}32'54''$  East, along last said line 432.31 feet, to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane, as per SRD right of way map, Section 72011-2501, dated 7-24-75; thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along the said Northerly right of way line of Assisi Lane and the following 5 Courses and Distances; COURSE No. 1; North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE No. 2; North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE No. 3; North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE No. 4; South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE No. 5; North  $88^{\circ}18'45''$  East, 937.24 feet, to the POINT OF BEGINNING; thence North  $01^{\circ}41'15''$  West, 70.0 feet thence North  $10^{\circ}11'00''$  West 181.43 feet; thence North  $88^{\circ}18'45''$  East 187.58 feet to the arc of a curve to the Southwest; thence Southwesterly along and around the arc of a curve concave Southeasterly and having a radius of 6019.58 feet; an arc distance of 249.98 feet said arc being subtended by a chord bearing and distance of South  $01^{\circ}55'34''$  West, 249.94 feet to the aforesaid Northerly right of way line of Assisi Lane; thence South  $88^{\circ}18'45''$  West, along last said line 145.0 feet the POINT OF BEGINNING.

Containing 0.926 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM DUVAL COUNTY FLORIDA

PHASE II. PARCEL A

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows; COMMENCE at the Southwest corner of Section 5, Township 2 South, Range 29 East; thence North  $01^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 328.92 feet; to the South line of the Andrew Dewees Grant, of Section 37; thence South  $85^{\circ}32'54''$  East, along last said line 432.31 feet, to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane, as per SRD right of way map, Section 72011-2501, dated 7-24-75; thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along the said Northly right of way line of Assisi Lane and the following 5 Courses and Distances; COURSE No. 1; North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE No. 2; North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE No. 3; North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE No. 4; South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE No. 5; North  $88^{\circ}18'45''$  East, 650 feet; thence North  $04^{\circ}38'00''$  West, 140.19 feet to the POINT OF BEGINNING; thence continue North  $04^{\circ}38'00''$  West, 103.81 feet North  $85^{\circ}37'37''$  East, 123.11 feet; thence South  $01^{\circ}41'15''$  East, 85.0 feet; thence South  $38^{\circ}12'25''$  West, 31.88 feet; thence South  $88^{\circ}18'45''$  West, 97.20 feet to the POINT OF BEGINNING.

Containing 0.289 acres, more or less.

DEERFIELD LAKES

CONDOMINIUM DUVAL COUNTY FLORIDA

Exhibit C-5/11/12

PHASE III:

A portion of Section 5, together with a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, and being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'56" West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant, of Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence South 03°31'46" East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along said Northerly right of way line of Assisi Lane, run the following five courses and distances; COURSE NO. 1; North 88°18'45" East, 823.14 feet; COURSE NO. 2; North 01°41'15" West, 10.0 feet; COURSE NO. 3; North 88°18'45" East, 50.0 feet; COURSE NO. 4; South 01°41'15" East, 10.0 feet; COURSE NO. 5; North 88°18'45" East, 937.24 feet; thence North 01°41'15" West, 70.0 feet; thence North 10°11'00" West, 181.43 feet to the POINT OF BEGINNING; thence South 88°18'45" West, 67.04 feet; thence North 01°41'15" West, 427.59 feet; thence North 71°22'18" East, 110.0 feet; thence South 15°35'49" East, 123.25 feet; thence South 01°41'15" East 340.0 feet; thence South 88°18'45" West, 67.82 feet to the POINT OF BEGINNING.

Containing 1.344 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM, DUVAL COUNTY, FLORIDA

**PHASE IV:**

A portion of Section 5, together with a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, and being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North  $01^{\circ}52'58''$  West, along the West line of said Section 5, a distance of 328.92 feet to the South line of the Andrew Dewees Grant, of Section 37; thence South  $85^{\circ}32'54''$  East, along last said line, 432.31 feet to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence ~~South~~  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along said Northerly right of way line of Assisi Lane, run the following five courses and distances; COURSE NO. 1: North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE NO. 2: North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE NO. 3: North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE NO. 4: South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE NO. 5: North  $88^{\circ}18'45''$  East, 850.0 feet; thence North  $04^{\circ}38'00''$  West, 244.0 feet to the POINT OF BEGINNING; thence North  $00^{\circ}32'38''$  East, 375.38 feet; thence North  $71^{\circ}22'18''$  East, 200.0 feet; thence South  $01^{\circ}41'15''$  East, 427.59 feet; thence South  $88^{\circ}18'45''$  West, 82.98 feet; thence South  $86^{\circ}37'37''$  West, 123.11 feet to the POINT OF BEGINNING.

Containing 1.819 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM DUVAL COUNTY FLORIDA

**PHASE V:**

A portion of Section 5, together with a portion of Government Lot 3, Section 8, all being in Township 2 South, Range 29 East, Duval County, Florida, and being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'58" West, along the West line of said Section 5, a distance of 328.92 feet to the South line of the Andrew Dewees Grant, of Section 37; thence South 85°32'54" East, along last said line, 432.31 feet to the Southwest corner of Lot 1, Division 4, of the Andrew Dewees Grant; thence ~~South 03°31'46"~~ East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northwesterly, Northeasterly, Southeasterly, and Northeasterly, along said Northerly right of way line of Assisi Lane, run the following five courses and distances; COURSE NO. 1; North 88°18'45" East, 823.14 feet; COURSE NO. 2; North 01°41'15" West, 10.0 feet; COURSE NO. 3; North 88°18'45" East, 50.0 feet; COURSE NO. 4; South 01°41'15" East, 10.0 feet; COURSE NO. 5; North 88°18'45" East, 341.12 feet; thence North 01°41'15" West, 200.0 feet; thence North 82°07'42" West, 74.83 feet; thence North 15°43'13" West, 303.98 feet to the POINT OF BEGINNING; thence continue North 15°43'13" West, 140.0 feet; thence North 74°18'47" East, 140.0 feet; thence South 15°43'13" East, 130.0 feet; thence North 83°12'03" East, 247.72 feet; thence North 71°22'18" East, 72.78 feet; thence South 00°32'38" West, 235.0 feet; thence South 88°18'45" West, 290.0 feet; thence North 15°43'13" West, 180.0 feet; thence South 74°18'47" West, 110.25 feet to the POINT OF BEGINNING.

Containing .76/ acres, more or less.

DEERFIELD LAKES

PHASE VI:

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North 01°52'56" West, along the West line of said Section 5, a distance of 326.92 feet to the South line of the Andrew Dewees Grant of Section 37; thence South 85°32'54" East, along last saidline, 432.31 feet to the Southwest corner of Lot 1, Division 4 of the Andrew Dewees Grant; thence South 03°31'46" East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly along said Northerly right of way line of Assisi Lane, run the following five courses and distance; COURSE NO. 1: North 88°18'45" East, 823.14 feet; COURSE NO. 2: North 01°41'15" West, 10.0 feet; COURSE NO. 3: North 88°18'45" East, 50.0 feet; COURSE NO. 4: South 01°41'15" East, 10.0 feet; COURSE NO. 5: North 88°18'45" East, 650.0 feet; thence North 04°38'00" West, 244.0 feet to the POINT OF BEGINNING; thence South 88°18'45" West, 249.48 feet; thence North 15°43'13" West, 144.57 feet; thence North 88°18'45" East, 290.00 feet; thence South 00°32'38" West, 140.38 feet to the POINT OF BEGINNING

Containing 0.868 acres, more or less.

DEERFIELD LAKES

A CONDOMINIUM DUVAL COUNTY FLORIDA

EXHIBIT

D

SHEET

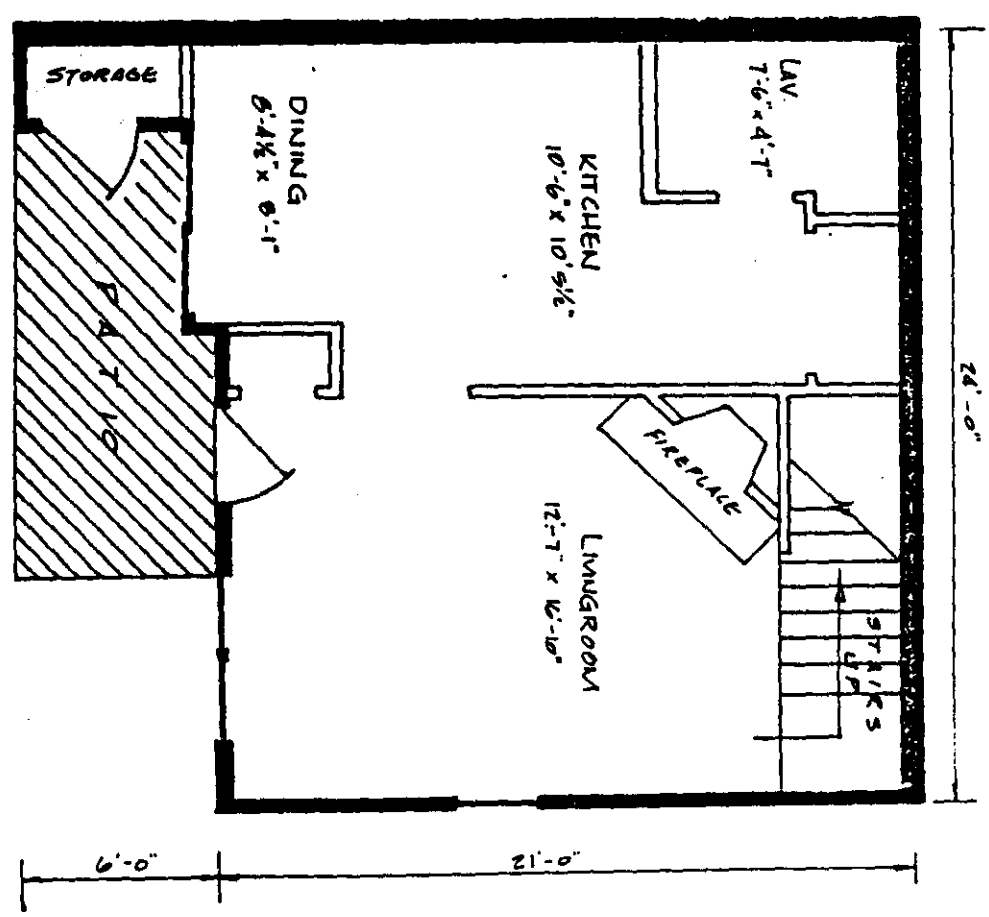
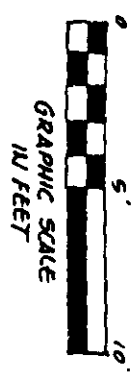
8

PHASE VIII:

A portion of Government Lot 3, Section 8, Township 2 South, Range 29 East, Duval County, Florida, being more particularly described as follows: COMMENCE at the Southwest corner of said Section 5; thence North  $01^{\circ}52'56''$  West, along the West line of said Section 5, a distance of 328.92 feet to the South line of the Andrew Dewees Grant of Section 37; thence South  $85^{\circ}32'54''$  East, along last saidline, 432.31 feet to the Southwest corner of Lot 1, Division 4 of the Andrew Dewees Grant; thence South  $03^{\circ}31'46''$  East, 909.14 feet to the Northerly right of way line of Assisi Lane (as per S.R.D. Right of Way Map Section 72011-2501, dated 7/24/75); thence Northeasterly, Northwesterly, Northeasterly, Southeasterly, and Northeasterly along said Northerly right of way line of Assisi Lane, run the following five courses and distance; COURSE NO. 1: North  $88^{\circ}18'45''$  East, 823.14 feet; COURSE NO. 2: North  $01^{\circ}41'15''$  West, 10.0 feet; COURSE NO. 3: North  $88^{\circ}18'45''$  East, 50.0 feet; COURSE NO. 4: South  $01^{\circ}41'15''$  East, 10.0 feet; COURSE NO. 5: North  $88^{\circ}18'45''$  East, 341.12 feet to the POINT OF BEGINNING; thence North  $01^{\circ}41'15''$  West, 115.0 feet; thence North  $88^{\circ}18'45''$  East, 138.34 feet; thence North  $01^{\circ}41'15''$  West, 128.67 feet; thence North  $88^{\circ}18'45''$  East, 160.0 feet; thence South  $04^{\circ}38'00''$  East, 244.00 feet to the aforesaid Northerly right of way line of Assisi Lane; thence South  $88^{\circ}18'45''$  West, along last said line 308.88 feet to the POINT OF BEGINNING.

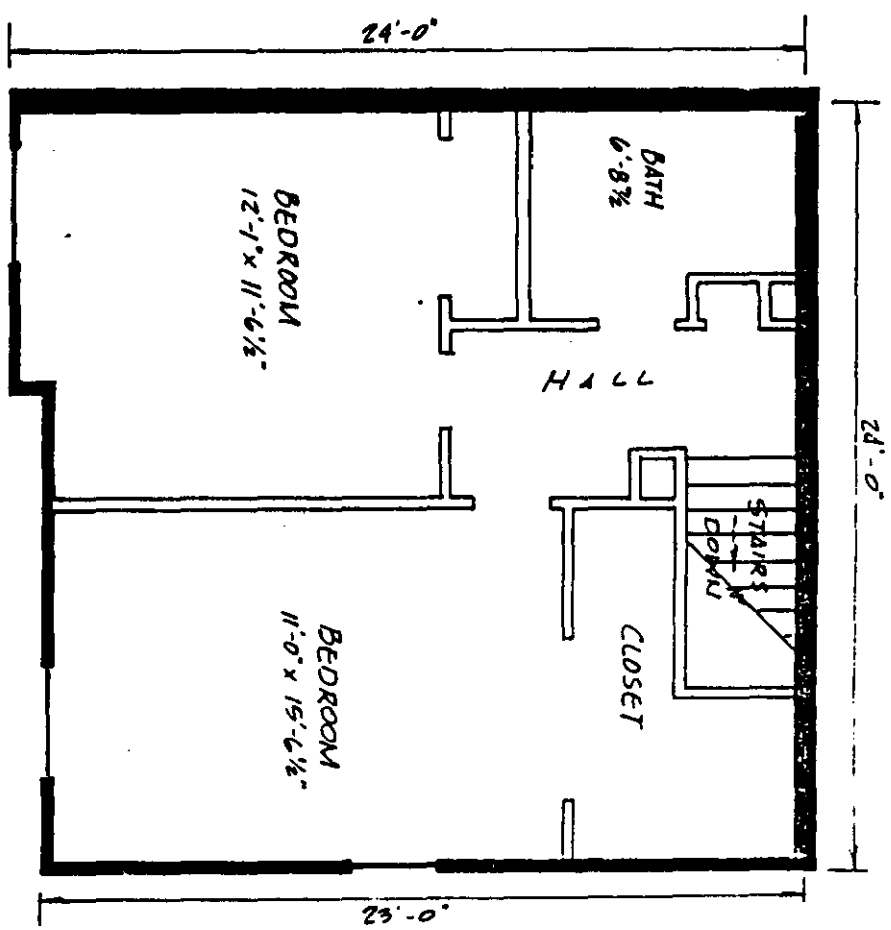
Containing 1.290 acres, more or less.

DEERFIELD LAKES



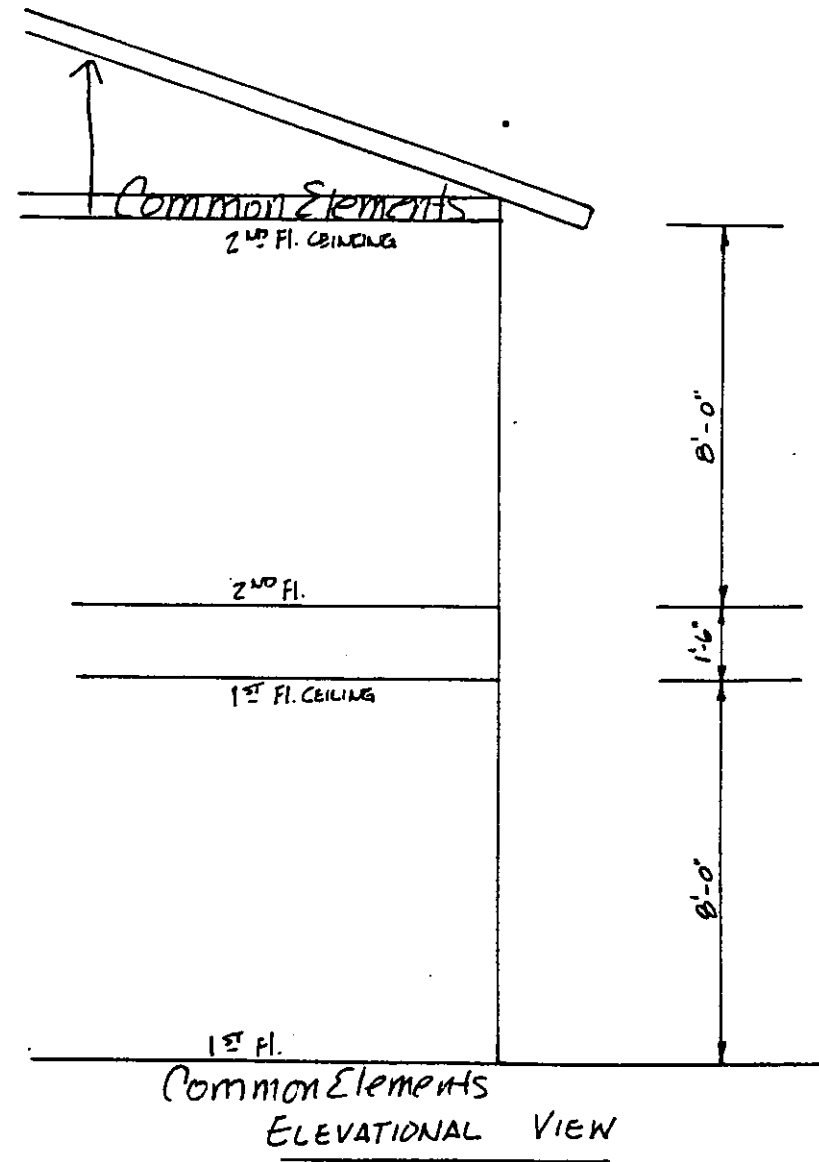
TYPICAL "C" UNIT  
1<sup>ST</sup> FLOOR

DEERFIELD LAKES A CONDOMINIUM, DAVIE COUNTY, ILLINOIS



TYPICAL "C" UNIT  
2ND FLOOR

# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

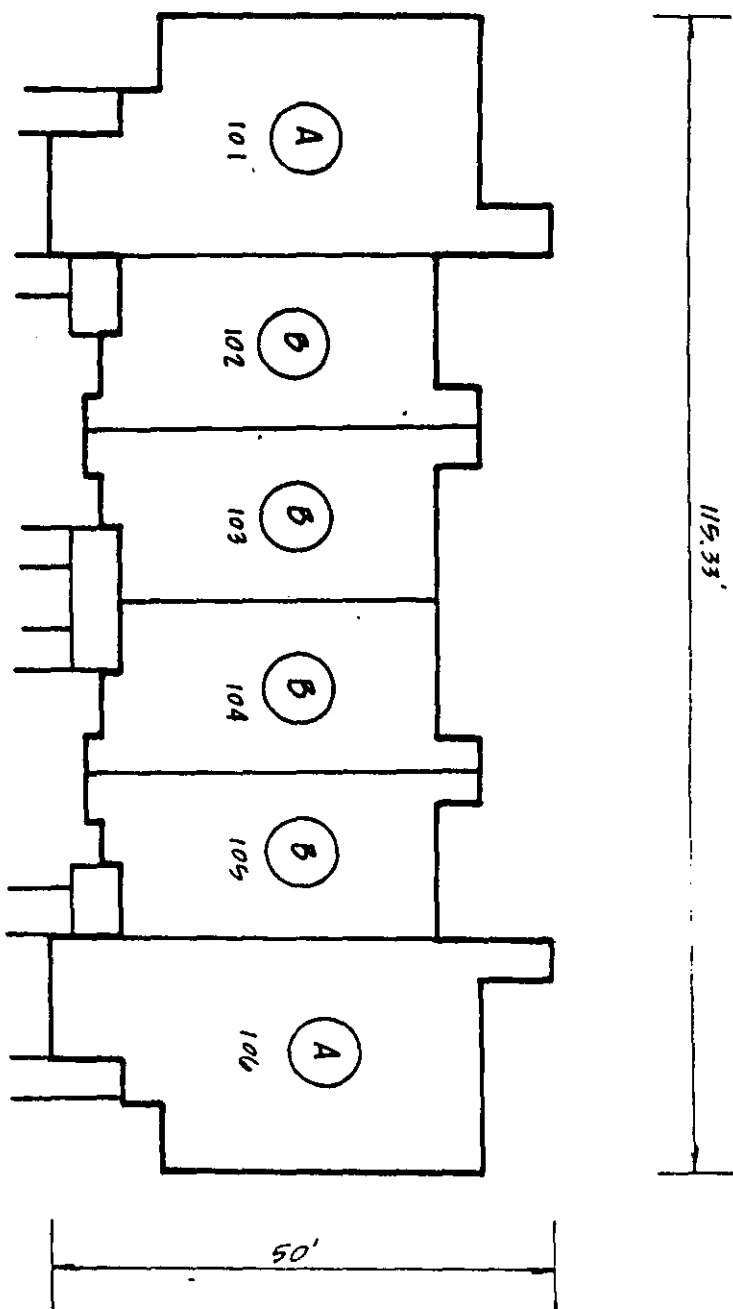
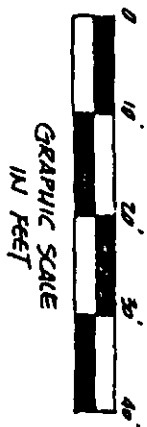
## ELEVATION TABULATION

| <u>Building</u> | <u>Unit</u> | <u>Floor</u> | <u>Ceiling</u> |
|-----------------|-------------|--------------|----------------|
| 13              | 1301        | 14.85        | 22.85          |
| 13              | 1302        | 14.85        | 22.85          |
| 13              | 1303        | 14.85        | 22.85          |
| 13              | 1304        | 14.85        | 22.85          |
| 13              | 1305        | 24.35        | 32.35          |
| 13              | 1306        | 24.35        | 32.35          |
| 13              | 1307        | 24.35        | 32.35          |
| 13              | 1308        | 24.35        | 32.35          |

| <u>Building</u> | <u>Unit</u> | <u>1st Floor</u> | <u>Ceiling</u> | <u>2nd Floor</u> | <u>Ceiling</u> |
|-----------------|-------------|------------------|----------------|------------------|----------------|
| 12              | 1201        | 14.67            | 22.67          | N.A.             | N.A.           |
| 12              | 1202        | 14.67            | 22.67          | 24.17            | 32.17          |
| 12              | 1203        | 14.67            | 22.67          | 24.17            | 32.17          |
| 12              | 1204        | 14.67            | 22.67          | 24.17            | 32.17          |
| 12              | 1205        | 14.67            | 22.67          | 24.17            | 32.17          |
| 12              | 1206        | 14.67            | 22.67          | N.A.             | N.A.           |
| 14              | 1401        | 14.85            | 22.85          | 24.35            | 32.35          |
| 14              | 1402        | 14.85            | 22.85          | 24.35            | 32.35          |
| 14              | 1403        | 14.85            | 22.85          | 24.35            | 32.35          |
| 14              | 1404        | 14.85            | 22.85          | 24.35            | 32.35          |
| 14              | 1405        | 14.85            | 22.85          | 24.35            | 32.35          |
| 14              | 1406        | 14.85            | 22.85          | 24.35            | 32.35          |
| 14              | 1407        | 14.85            | 22.85          | 24.35            | 32.35          |
| 14              | 1408        | 14.85            | 22.85          | 24.35            | 32.35          |

EXHIBIT 1  
GRAPHIC DEPICTIONS  
OF  
SUBSEQUENT PHASES

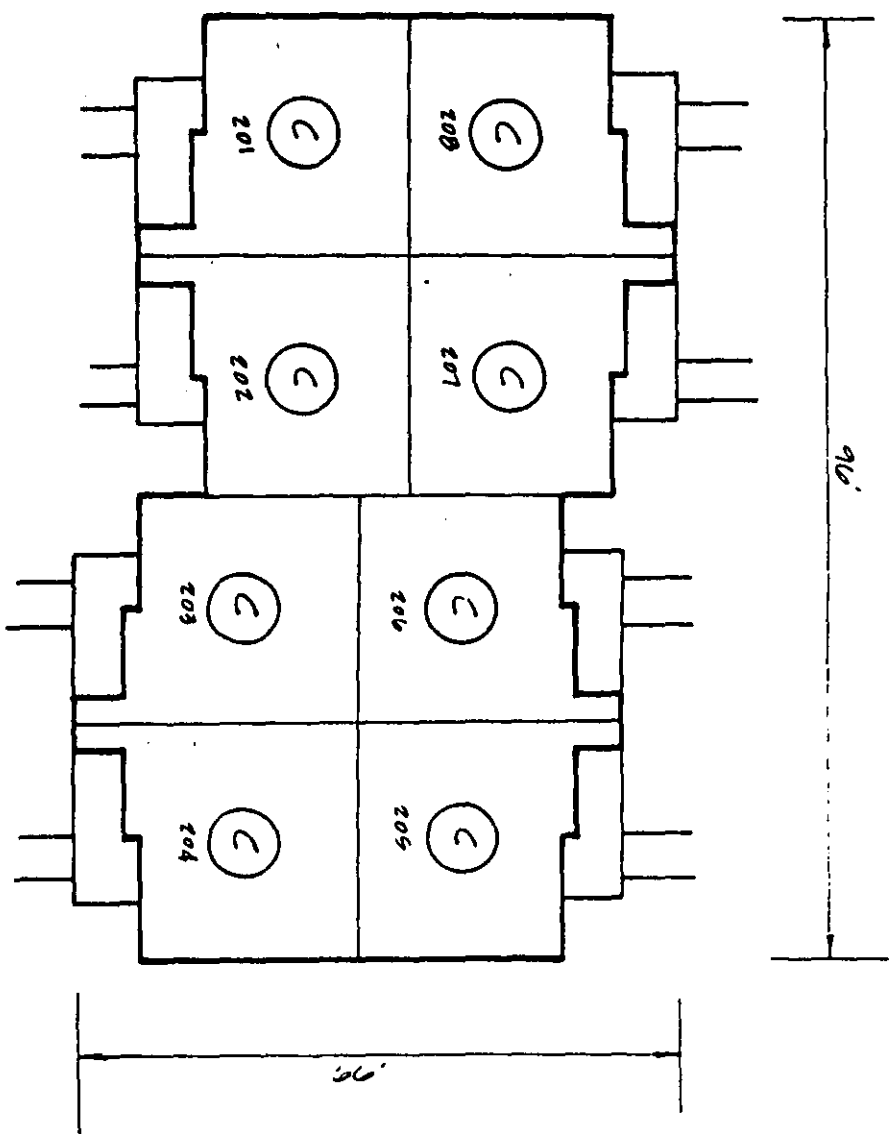
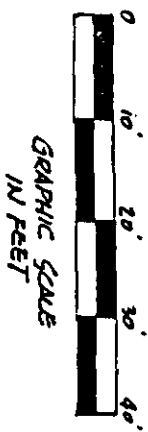
DEERFIELD LAKES A CONDOMINIUM DUVAL COUNTY, FLORIDA



BUILDING NO. 1

(continued)

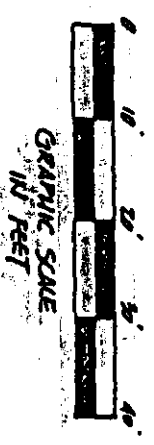
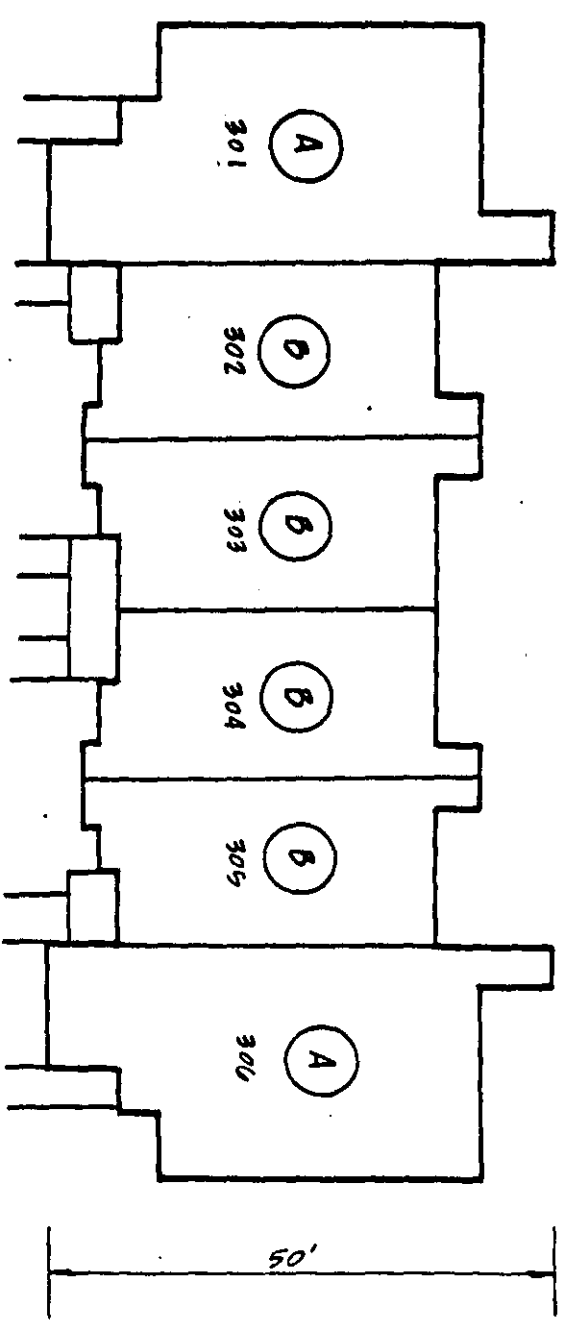
# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



BUILDING NO. 2

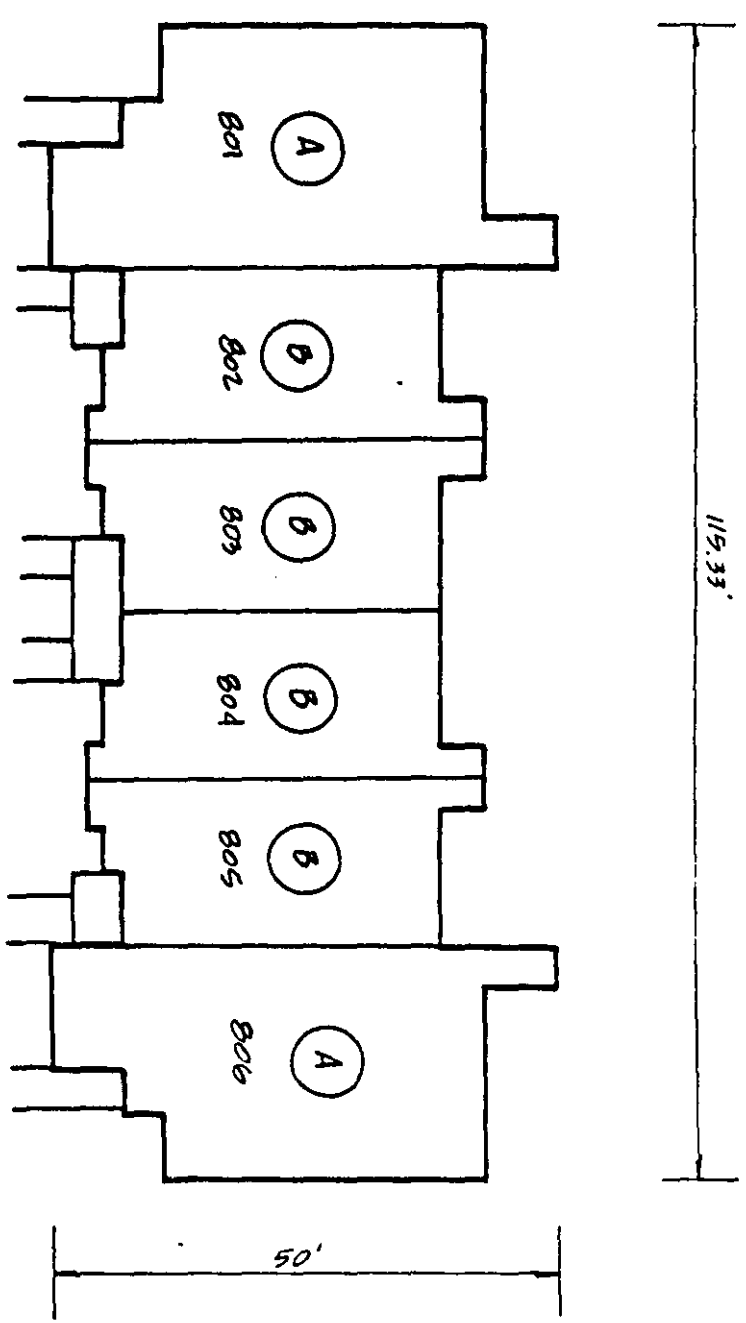
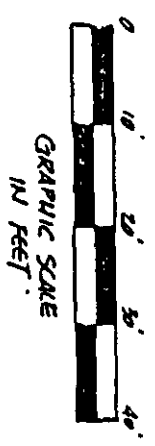
DEERFIELD LAKES A CONDOMINIUM, Duval County, Florida

119.33'



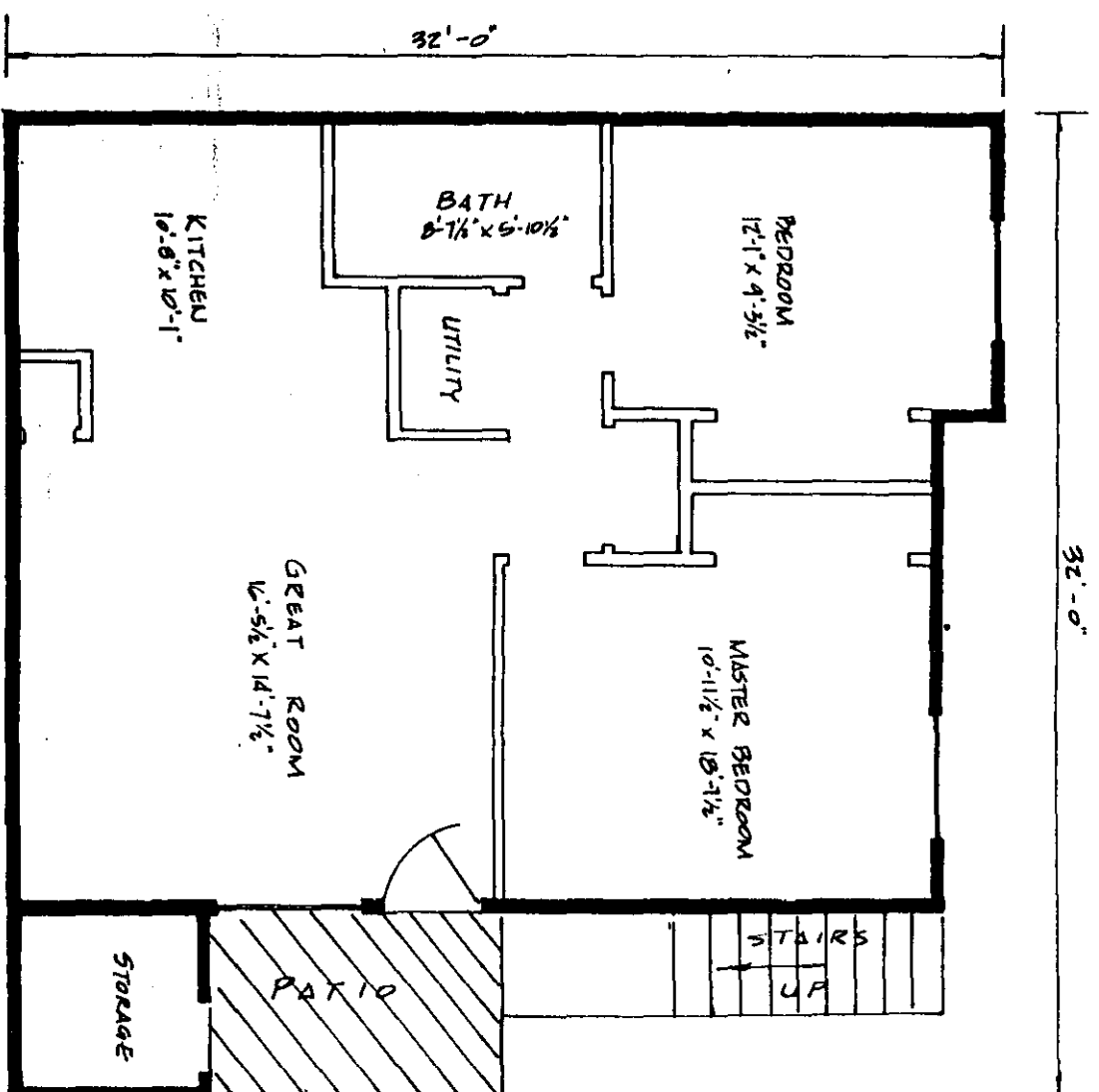
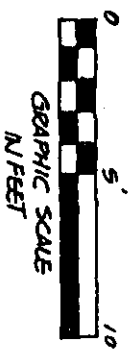
BUILDING No: 3

DEERFIELD LAKES A CONDOMINIUM DUVAL COUNTY, FLORIDA



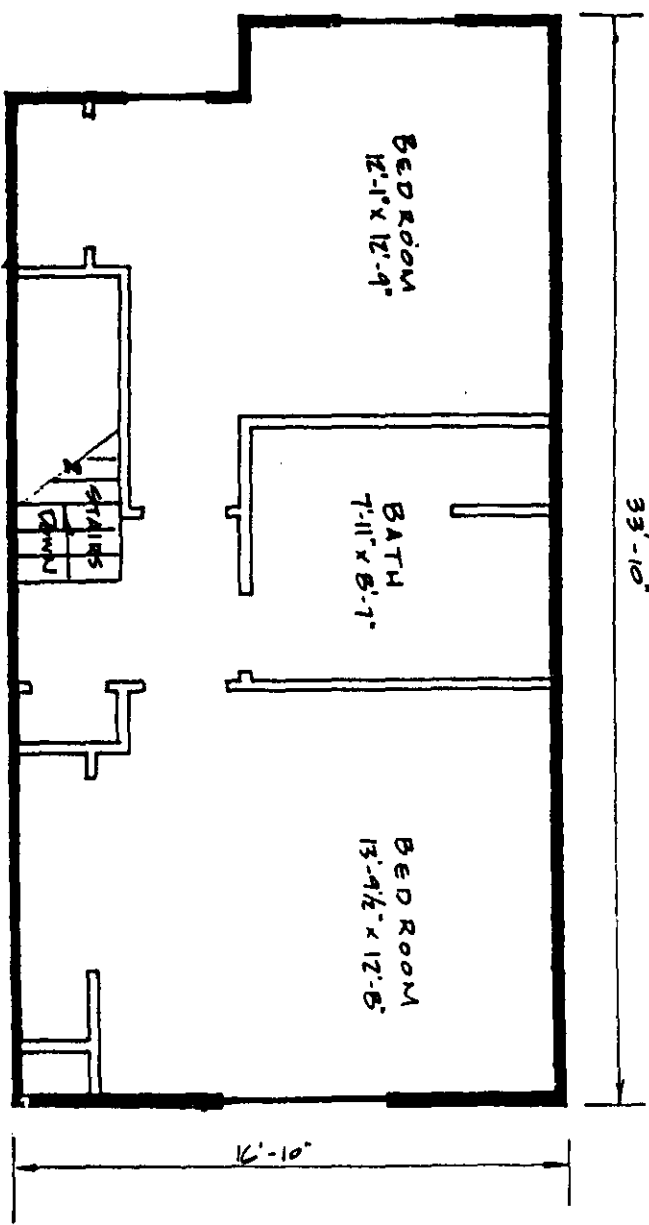
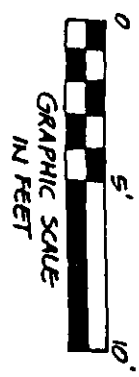
BUILDING No 88

# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



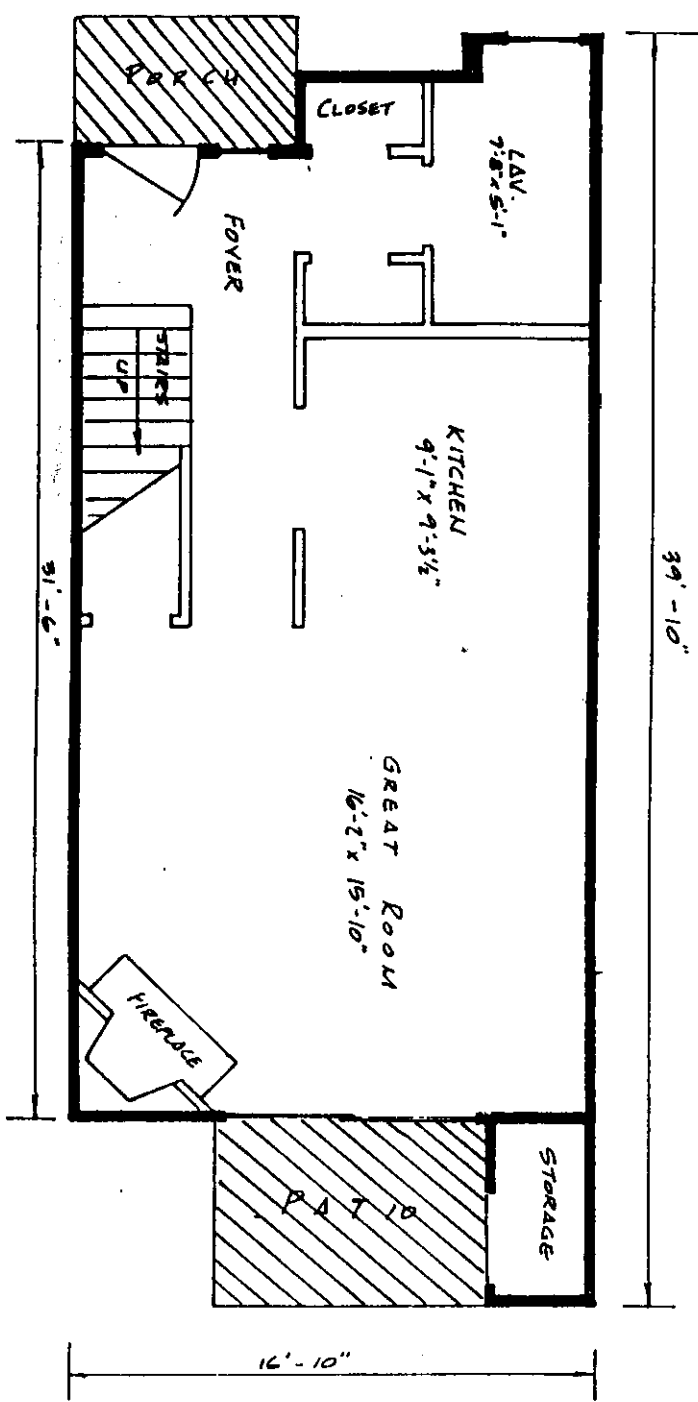
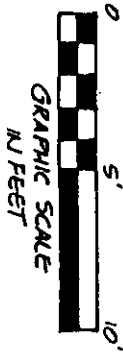
TYPICAL "D" UNIT  
1ST & 2ND FLOOR

WICKFIELD LAKES A CONDOMINIUM, DUAL COUNTRY, FLORIDA



TYPICAL "B" UNIT  
2ND FLOOR

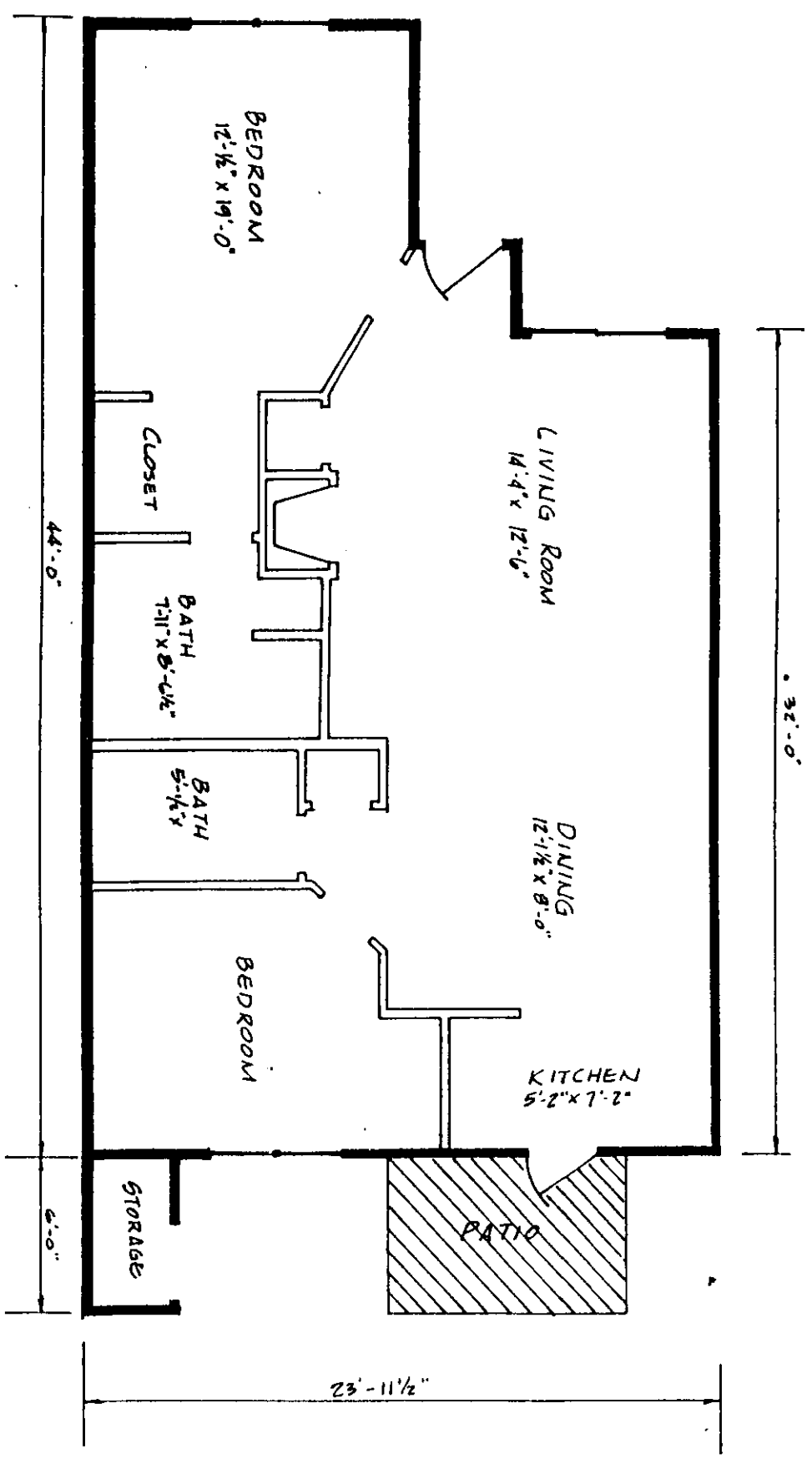
DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



Typical "B" Unit  
1st Floor  
Concord  
2BD 1 1/2 Bath

1,109 Sq Ft.

DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

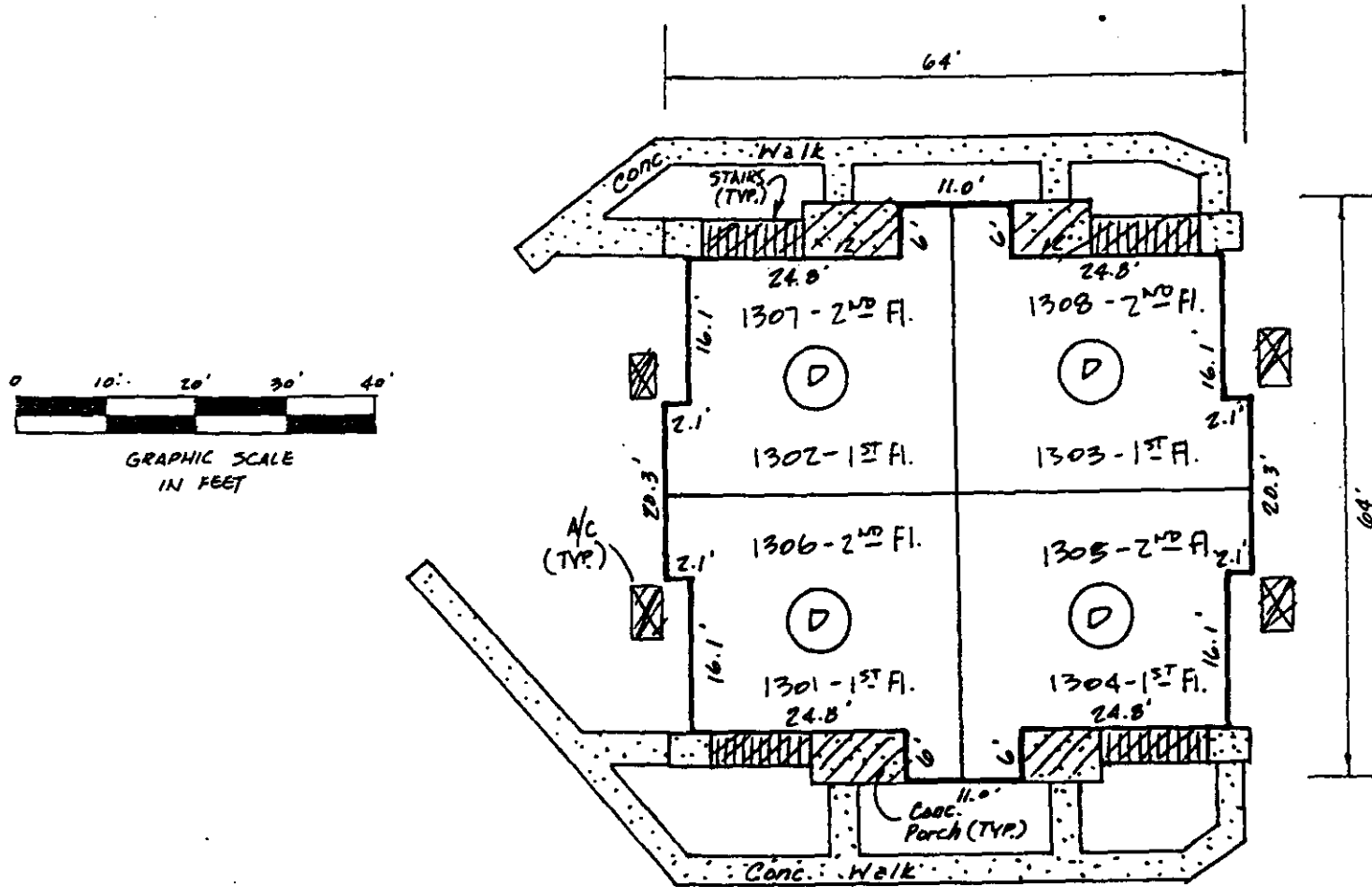


TYPICAL 'A' UNIT Ranch 936 Sq. Ft

DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

Unit type C - Vail 800 Sq Ft.

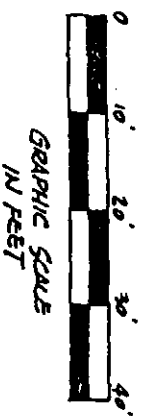
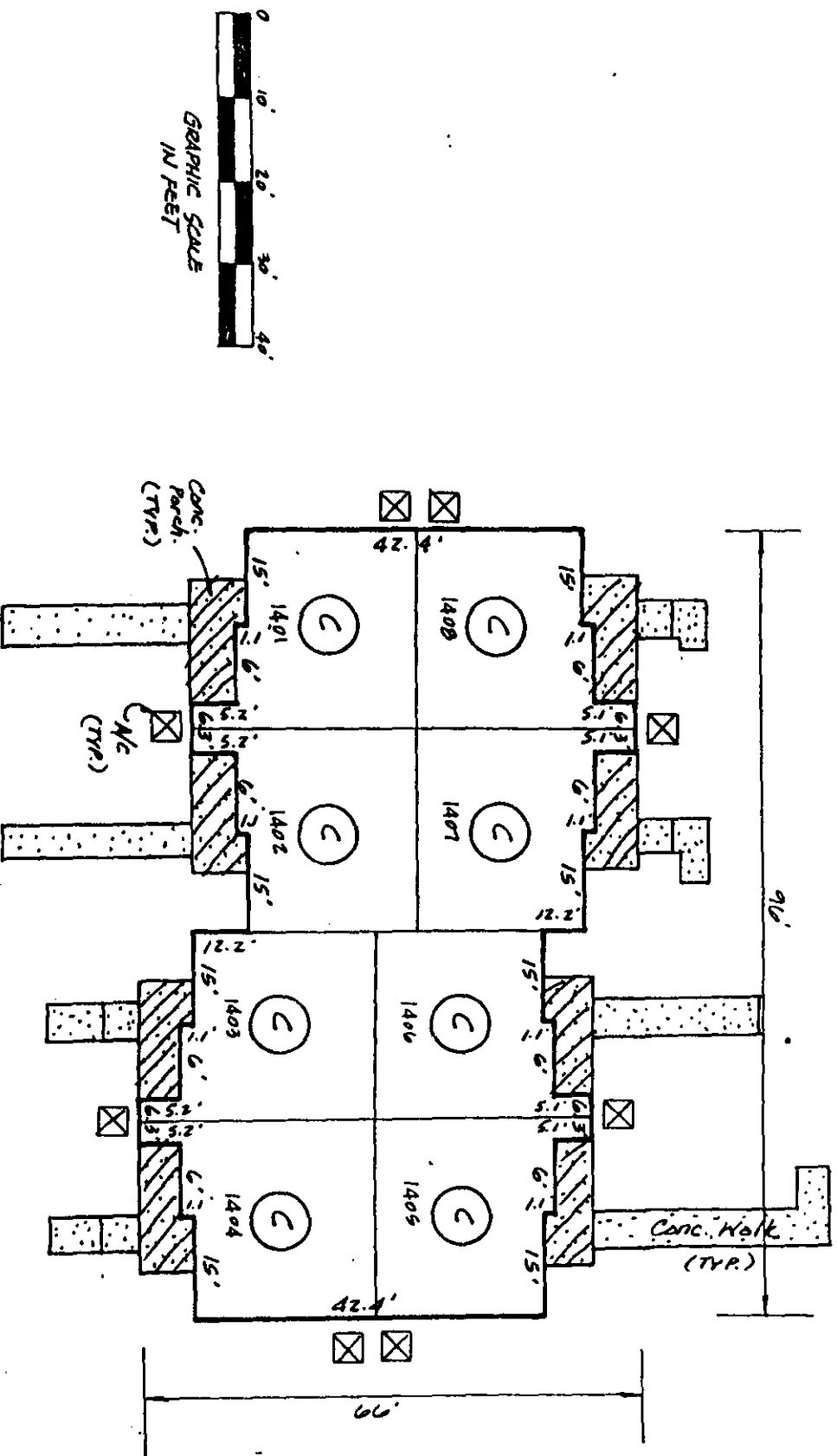
2 Bd 1 Bath



BUILDING N° : 13

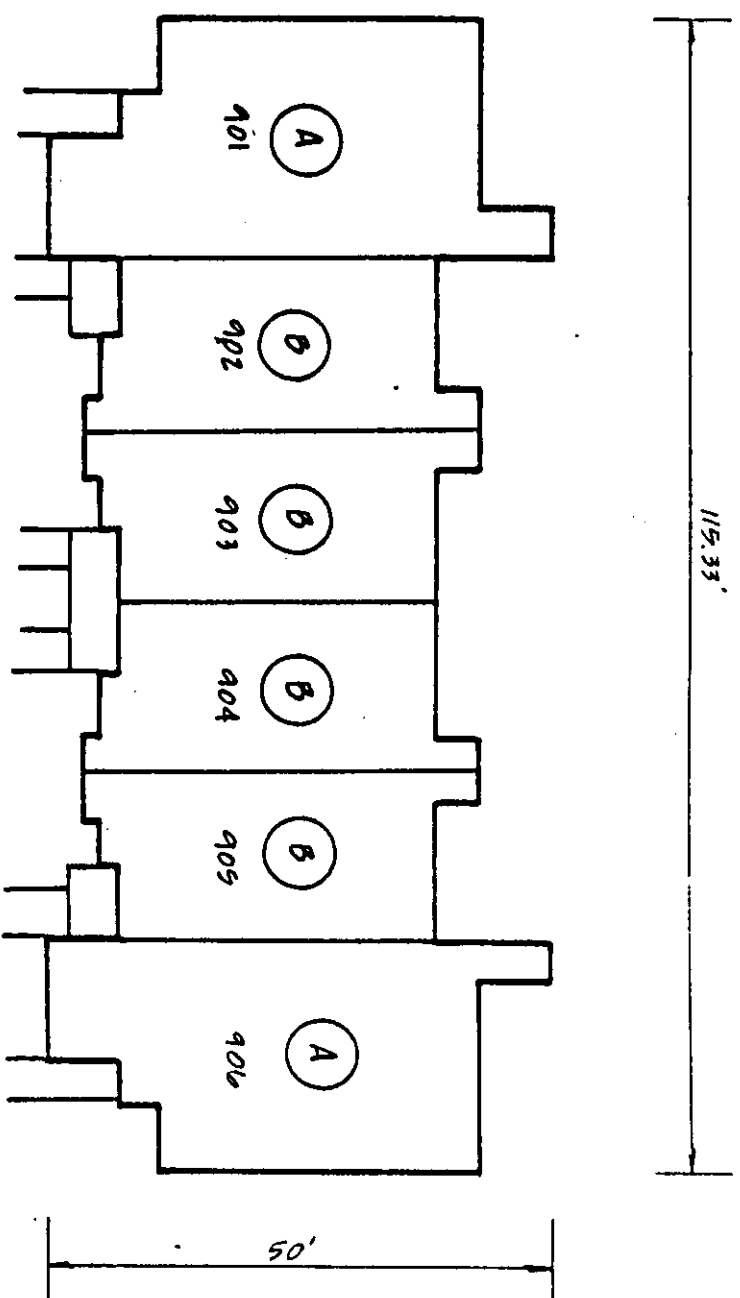
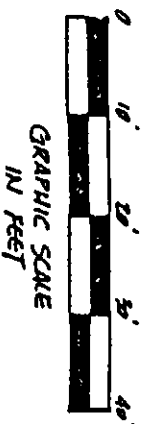
# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

UNIT TYPE D Wellington  
2 Bd 1 1/2 Bath 1,074 S.F.



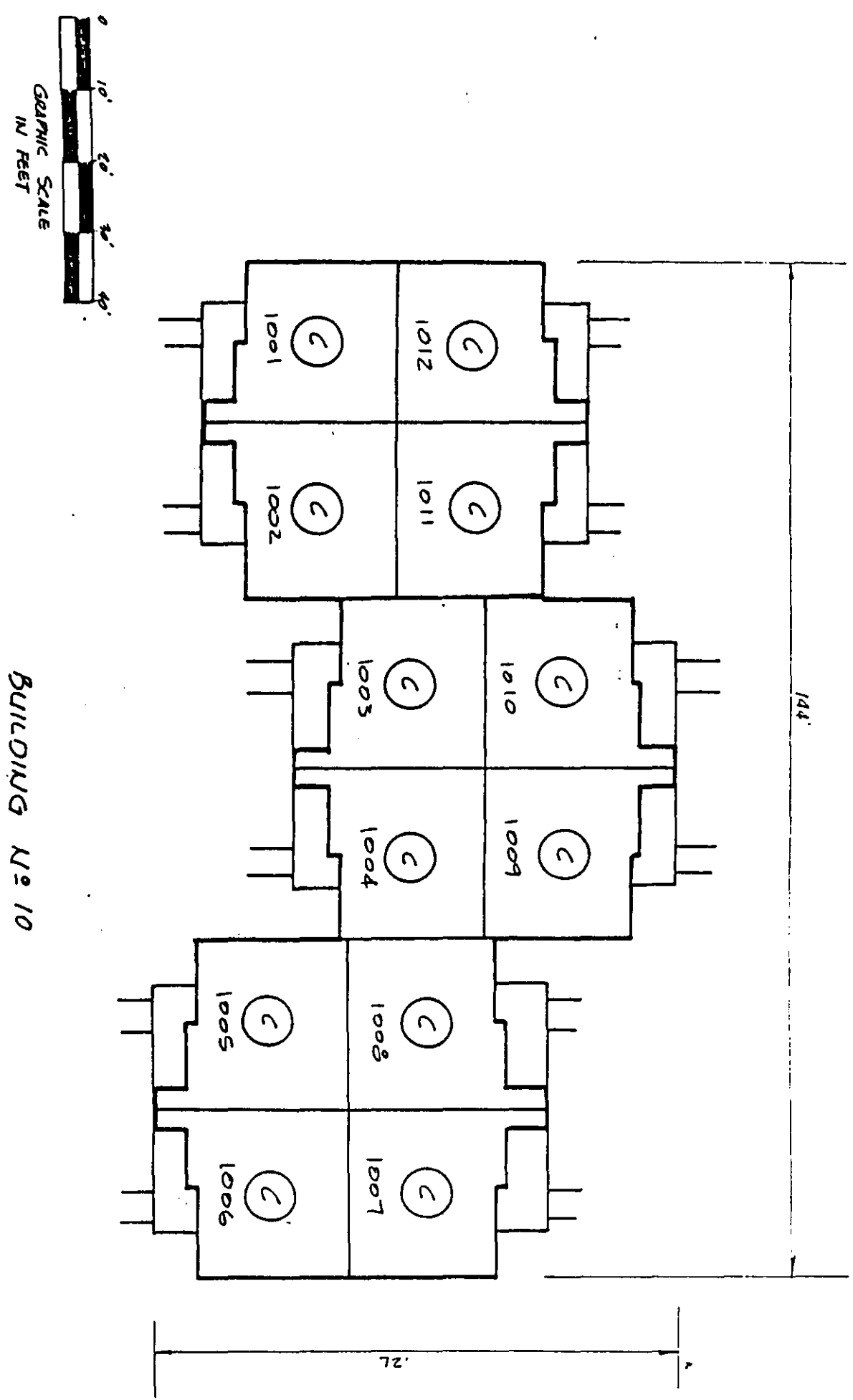
BUILDING NO: 14

# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

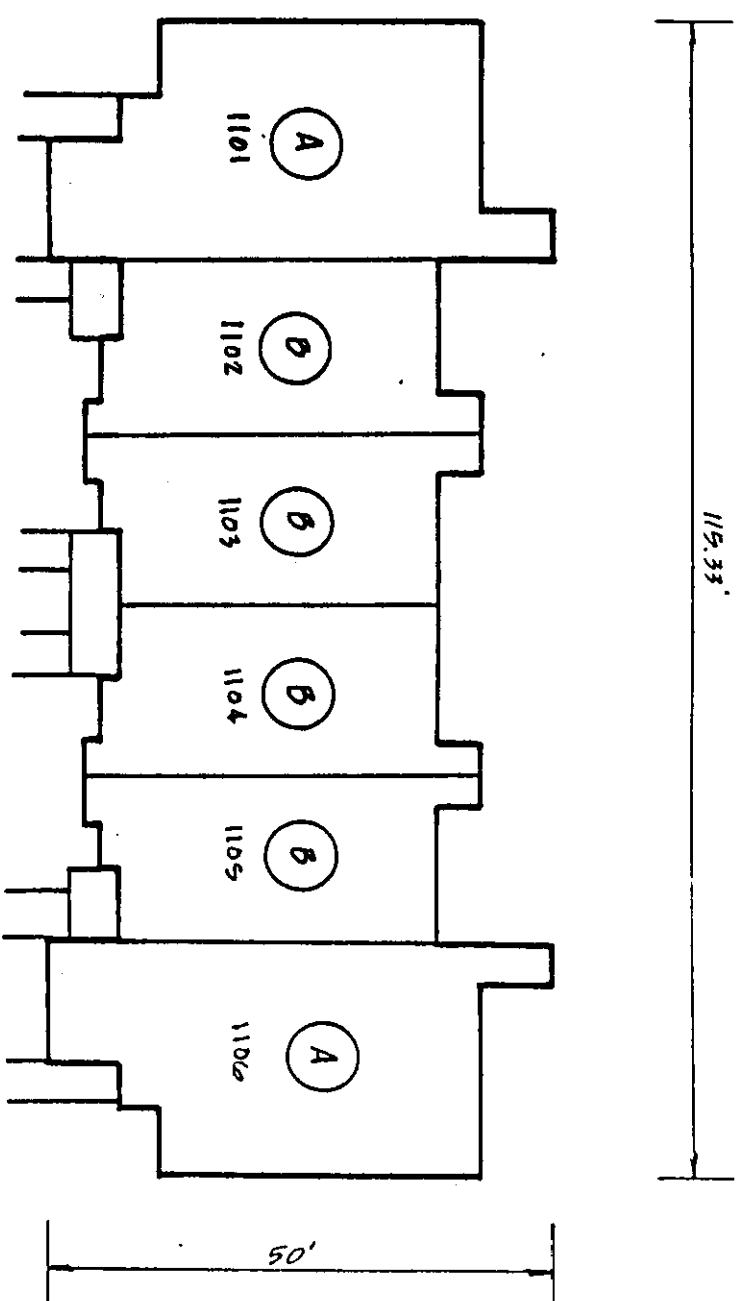
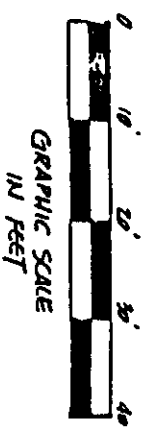


BUILDING NO : 9

DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

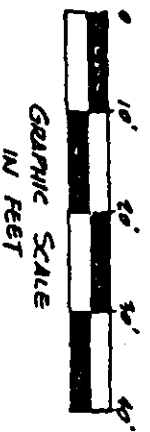
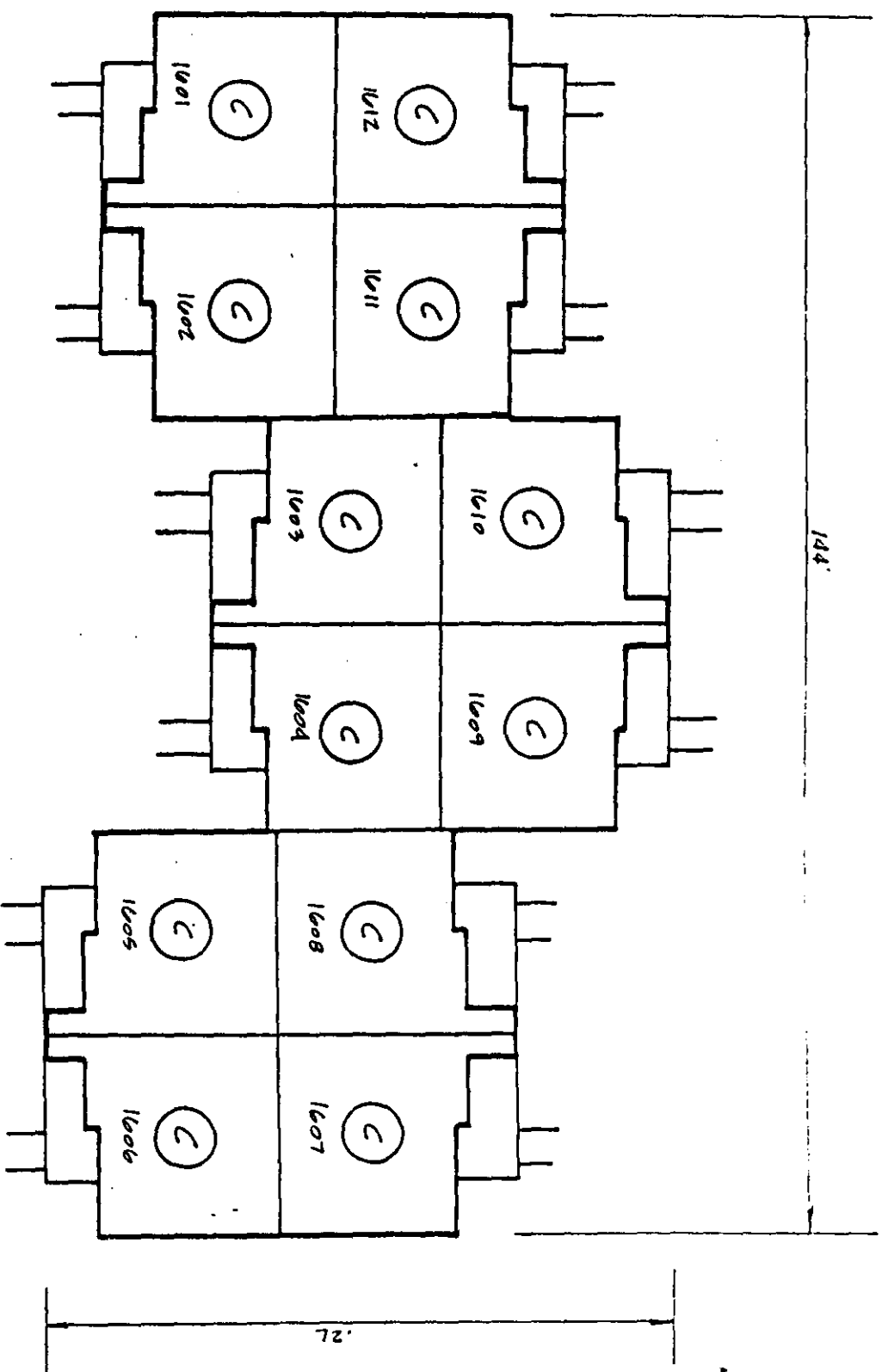


# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



BUILDING No. 11

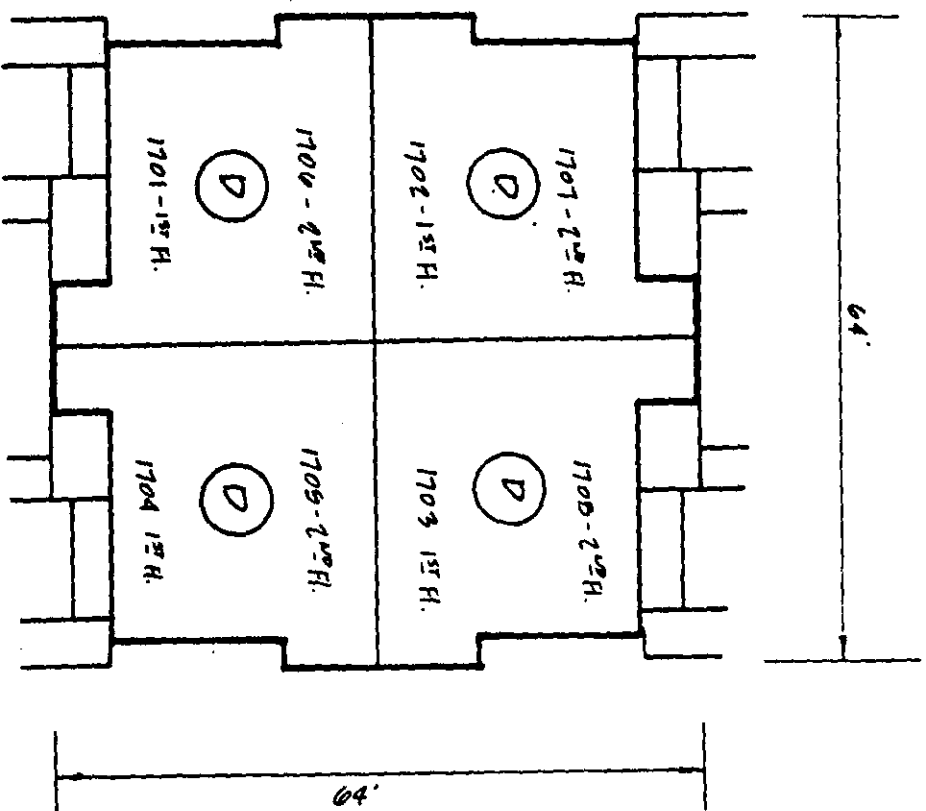
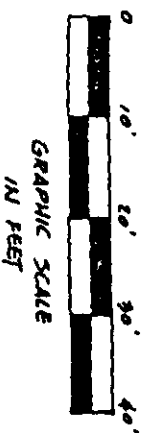
# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



BUILDING NO. 10

Exhibit D-1 Sheets

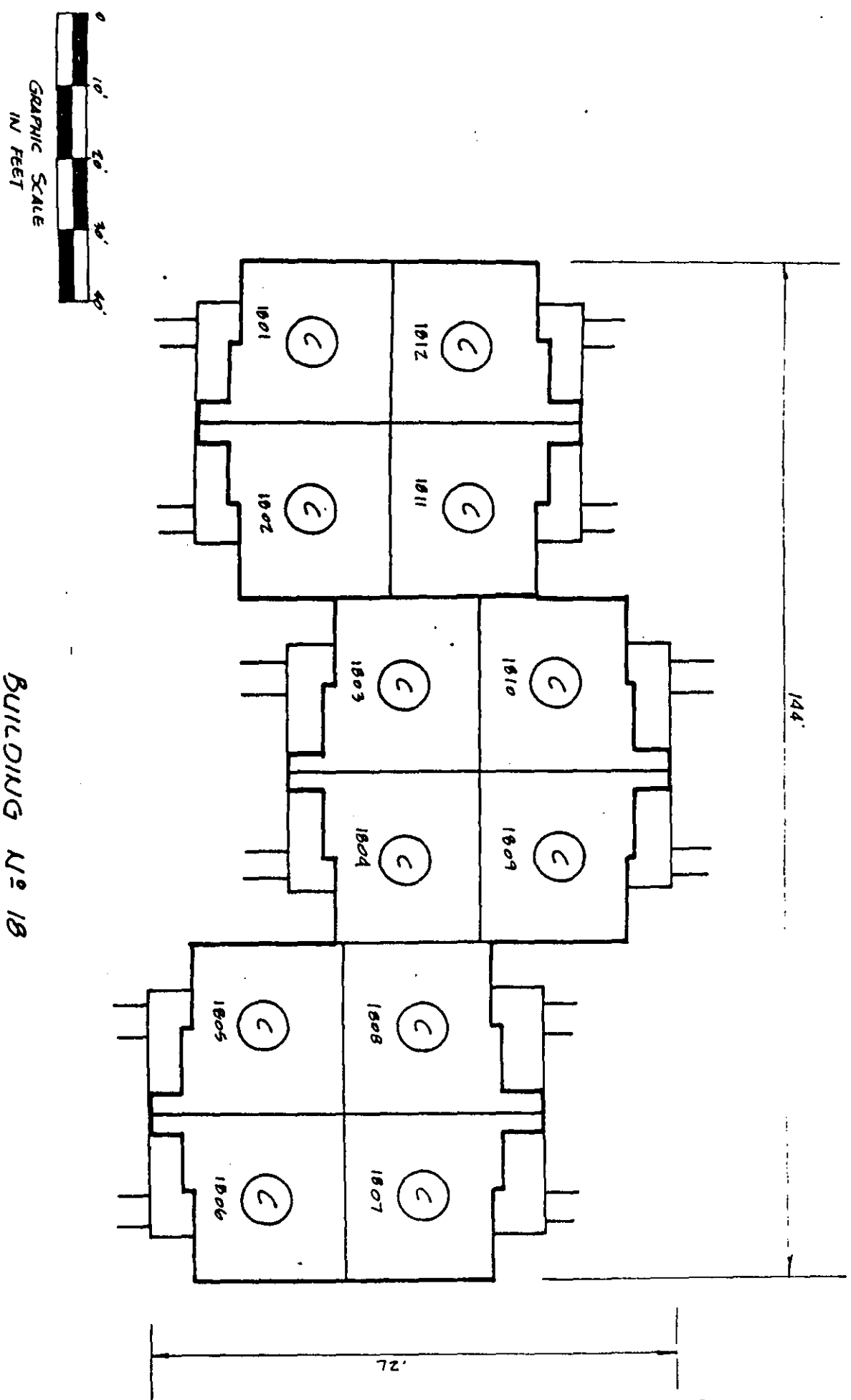
# WICKRIEL LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



BUILDING No. 17

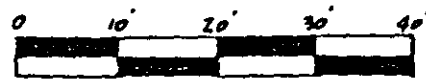
Exhibit B-1 Sheet 11

# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA

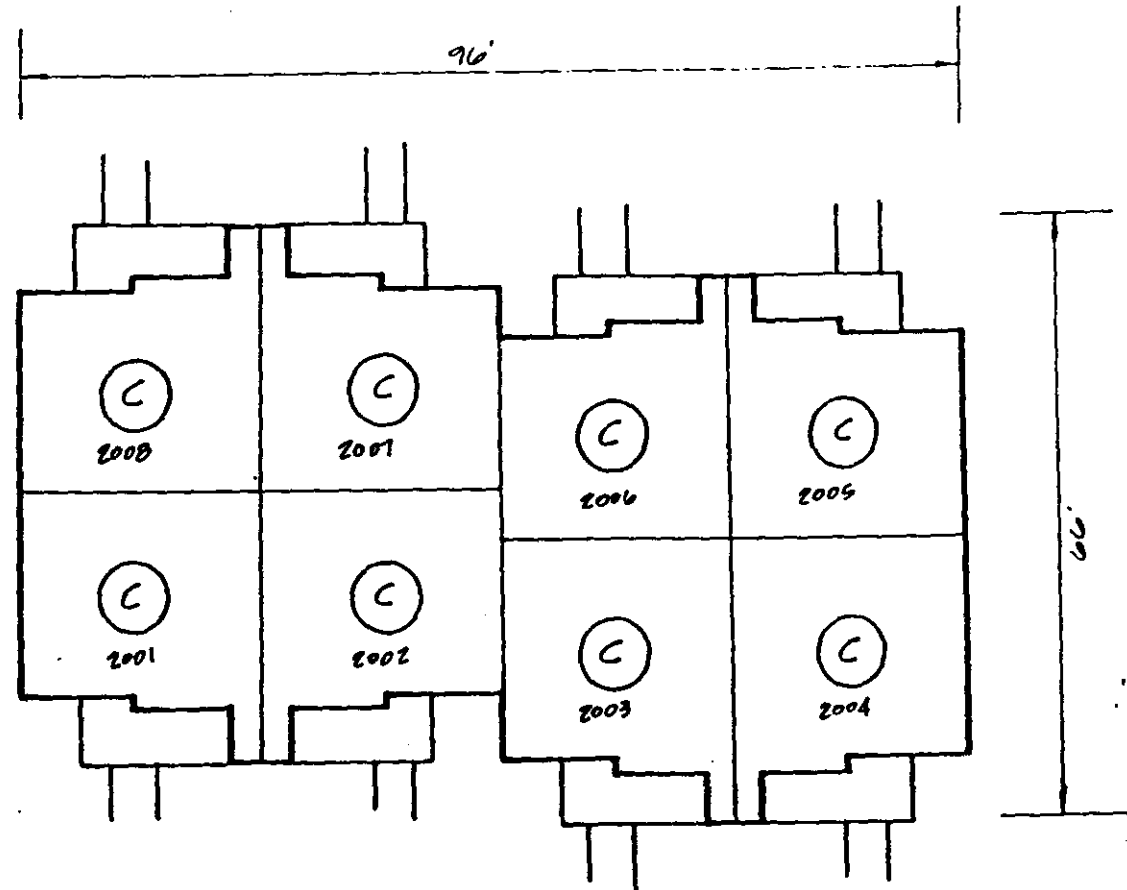


BUILDING NO. 18

# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



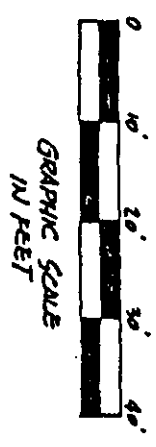
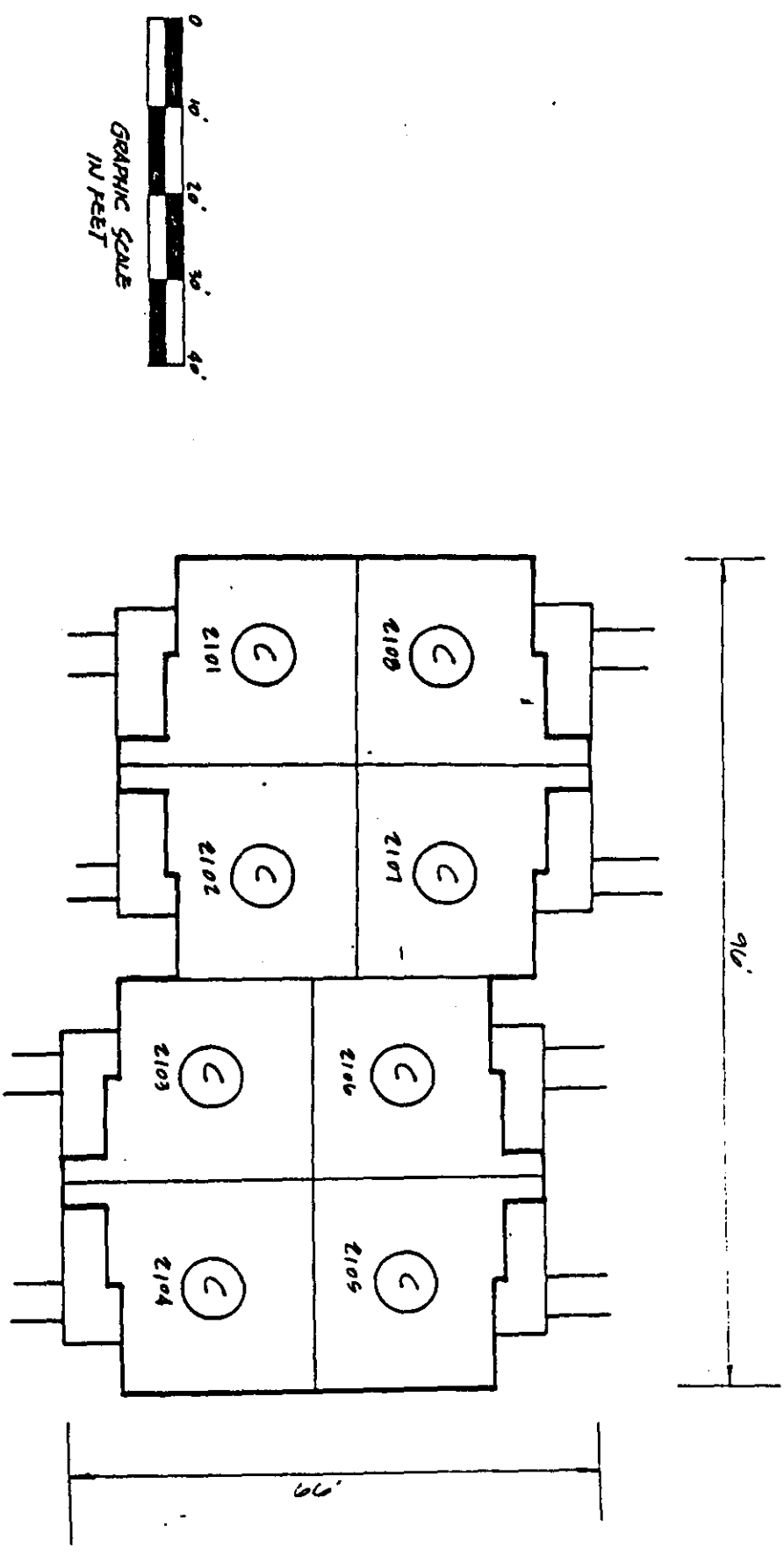
GRAPHIC SCALE  
IN FEET



BUILDING N° : 20

Exhibit D-1 Sheet 17

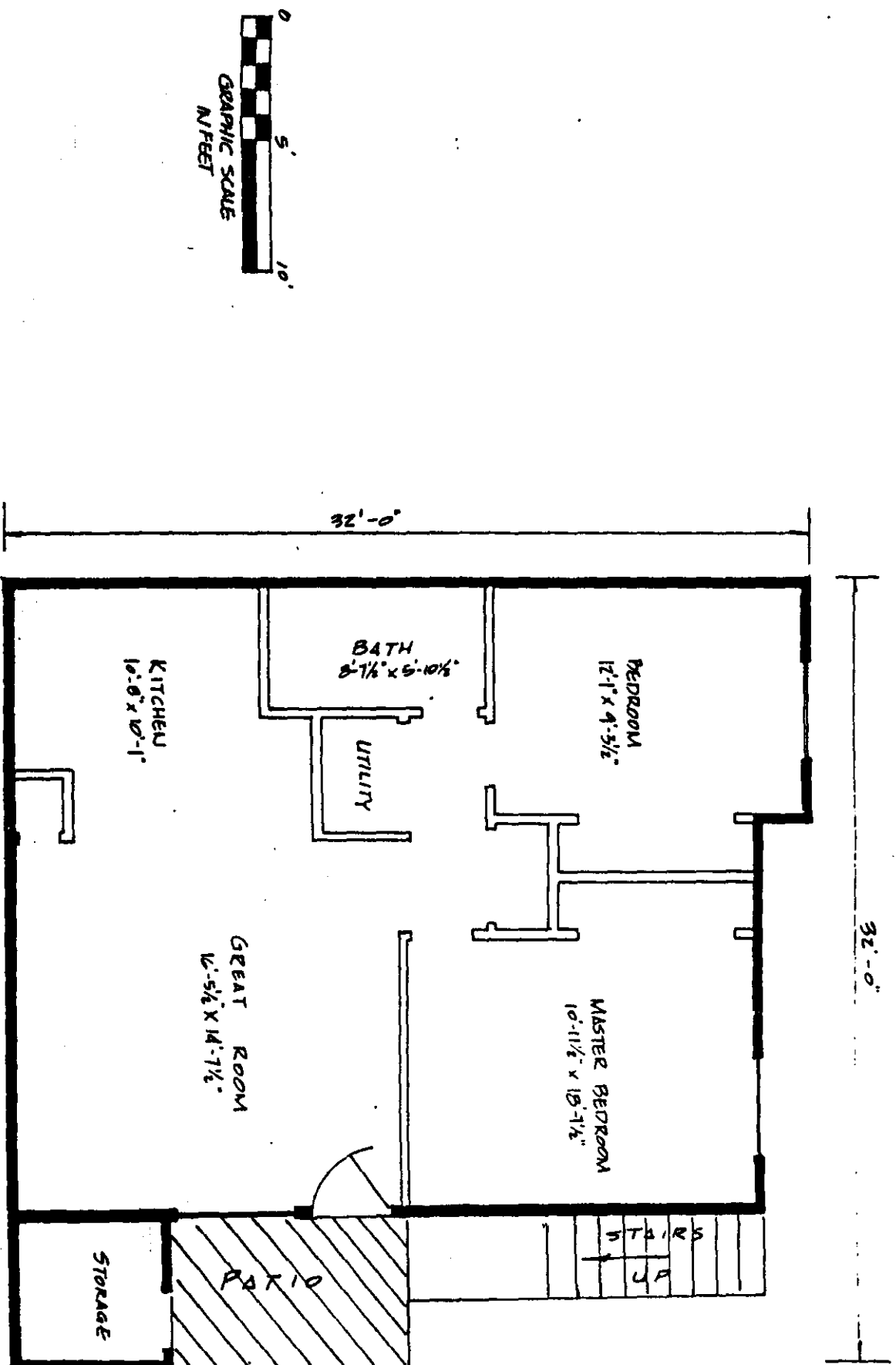
# DEERFIELD LAKES A CONDOMINIUM, DUVAL COUNTY, FLORIDA



BUILDING N: 21

Exhibit D-1 Sheets

DEERFIELD LAKES A CONDOMINIUM, Duval County, Florida



TYPICAL "D" UNIT  
1ST & 2ND FLOOR

Exhibit D1 Sheet 28

EXHIBIT "E"

ARTICLES OF INCORPORATION

OF

DEERFIELD LAKES  
CONDOMINIUM ASSOCIATION, INC.

a Corporation Not For Profit

In order to form a corporation under the laws of the State of Florida for the formation of corporations not for profit, the undersigned hereby forms this corporation for the purposes and with the powers herein specified:

I. NAME

The name of the corporation shall be DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC. ("Association").

II. PURPOSE

The purposes and objects of the Association shall be to administer the operation and management of Deerfield Lakes, a Condominium ("Condominium") which may be established by recordation of the Declaration of Condominium, in accordance with the Florida Condominium Act, Chapter 718 Florida Statutes ("Act") upon that certain real property situated in Duval County, Florida ("County"). The Association shall perform the acts and duties incident to the operation and management of the Condominium in accordance with the provisions of these Articles of Incorporation, the Bylaws of the Association which will be adopted ("Bylaws") pursuant hereto and the Declaration of Condominium ("Declaration") which will be recorded in the public records of the County, as and when the property described in the Declaration, as such description may be amended from time to time, together with the improvements situated thereon, are submitted to the condominium form of ownership; and to own, operate, encumber, lease, manage, sell, convey, exchange and otherwise deal with the said lands submitted to the condominium form of ownership; the improvements thereon and such other property, real and/or personal, as may be or become part of the Condominium ("Condominium Property") to the extent necessary or convenient in the administration of the Condominium as provided for in the Declaration. The Association shall be conducted as a nonprofit organization for the benefit of its members.

III. POWERS

The Association shall have the following powers:

A. All of the powers and privileges granted to corporations not for profit under the law pursuant to which this corporation is chartered.

B. All of the powers reasonably necessary to implement and effectuate the purposes of the Association, including, without limitation, the power, authority and right to:

1. Make, establish and amend reasonable rules and regulations governing use of the Units, Common Elements, Limited Common Elements in and of the condominium, as such terms will be defined in the Declaration.

2. Levy and collect assessments against members of

the Association to defray the Common Expenses of the Condominium as will be provided in the Declaration and the Bylaws including the right to levy and collect assessments for the purpose of acquiring, owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing and otherwise dealing with the Condominium Property, including Units, which may be necessary or convenient in the operation and management of the Condominium in accomplishing the purposes set forth in the Declaration.

3. Maintain, repair, replace, operate and manage the Condominium Property, including the right to reconstruct improvements after casualty and to further improve and add to the Condominium Property.

4. Contract for the management of the Condominium and, in connection therewith, to delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Declaration and the Bylaws.

5. To employ personnel to perform the services required for proper operation of the Condominium.

6. Enforce the provisions of these Articles of Incorporation, the Declaration, the Bylaws, and all rules and regulations governing use of the Condominium which may hereafter be established.

7. To buy, own, operate, lease, sell, trade and mortgage both real and personal property.

8. To purchase insurance upon the Condominium Property and insurance for the protection of the Association, its officers, directors and members.

9. To approve or disapprove the leasing, transfer, ownership and possession of Units as may be provided in the Declaration.

10. Exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association in the Declaration and the Act.

11. To grant permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

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

#### IV. MEMBERS

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

A. The owners of all Units in the Condominium shall be members of the Association, and no other persons or entities shall be entitled to membership, except as provided for in Paragraph E, Article IV, hereof.

B. Membership shall be established by the acquisition of a fee title to a Unit in the Condominium, or by acquisition of a fee ownership interest therein, by voluntary conveyance or operation of law, and the membership of any person

or entity shall be automatically terminated when such person or entity is divested of all title or his entire fee ownership in such Unit; provided, that nothing herein contained shall be construed as terminating the membership of any person or entity owning fee title to or a fee ownership interest in two or more Units at any time while such person or entity shall retain fee title to or a fee ownership interest in any unit.

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

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

E. The membership of the Association shall initially be comprised of the directors of the Association, each of whom shall be entitled to cast a Voting Interest on all matters upon which the membership would be entitled to vote.

## V. EXISTENCE

The Association shall have perpetual existence.

## VI. PRINCIPAL OFFICE

The principal office of the Association shall be located in Florida, but the Association may maintain an office and transact business in such places, within or without the State of Florida, as may from time to time be designated by the Board of Directors.

## VII. MANAGEMENT

The affairs of the Association shall be managed by the President of the Association assisted by the Vice President, Secretary and/or Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers of the corporations in the State of Florida subject to the directions of the Board of Directors.

Officers of the Association may be compensated in the manner to be provided in the Bylaws. The Board of Directors or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Condominium and the affairs of the Association, any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a member of the Association or a Director or officer of the Association, as the case may be.

## VIII. BOARD OF DIRECTORS

The number of members of the first Board of Directors shall be three (3). The number of members of succeeding Board of Directors shall be as provided in the Bylaws. When Unit owners other than DEERFIELD LAKES ASSOCIATES, LTD. ("Developer") own fifteen percent (15%) or more of the Units that ultimately will be operated by the Association, the members other than the Developer shall be entitled to elect, in a manner to be provided in the Bylaws, not less than one-third (1/3) of the members of the Board of Directors of the Association. Members other than the Developer shall be entitled to elect, in a manner to be provided in the Bylaws, not less than a majority of the members of the Board of Directors: (a) three (3) years after fifty percent (50%), but less than ninety percent (90%), of the Units that will be operated ultimately by the Association have been conveyed to Purchasers; or (b) three (3) months after ninety percent (90%) of the Units that ultimately will be operated by the Association have been conveyed to purchasers; or (c) when all of the Units that ultimately will be operated by the Association have been completed, and some of the Units have been conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business; or (d) when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or (e) 120 days after the date by which 75 percent of the units have been conveyed to members, other than the Developer; or (f) five (5) years after recording the Declaration of Condominium. The Developer shall be entitled to elect not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Condominium. Notwithstanding the foregoing, Developer may waive his rights hereunder and thereafter vote in elections for members of the Board of Directors in the same manner as any other member of the Association. After members other than the Developer elect a majority of the members of the Board of Directors, the Developer shall, within a reasonable time and in a manner to be provided in the Bylaws, relinquish control of the Association and shall deliver to the Association all property of the members and the Association held or controlled by the Developer.

## IX. OFFICERS

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

## X. FIRST BOARD OF DIRECTORS

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

of Florida, these Articles of Incorporation and Bylaws, shall hold office for the first year of the Association's corporate existence, and thereafter until their successors are selected and have qualified, are as follows:

William G. Swan, Jr.  
Maurice F. Shave  
Luanne Shave Swan

#### XI. SUBSCRIBER

The name of the Subscriber, and his/her address is:

Linda Connor Kane  
2000 Independent Square  
Jacksonville, Florida 32202

#### XII. FIRST OFFICERS

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

President: William G. Swan, Jr.

Vice President: Maurice F. Shave

Secretary/Treasurer: Luanne Shave Swan

#### XIII. BYLAWS

The original Bylaws of the Association shall be adopted by a majority vote of the Directors to these Articles of Incorporation at a meeting at which a majority of the Directors are present, and, thereafter, the Bylaws may be altered or rescinded only by affirmative vote of fifty-one percent (51%) of the Voting Interests entitled to be cast by members of the Association.

#### XIV. INDEMNIFICATION

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

## XV. AMENDMENTS

An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors or by the members of the Association owning ten percent (10%) of the Voting Interest, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association or the acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner than thirty (30) days or later than sixty (60) days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written notice of such meeting stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than ten (10) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting or by written approval the amendment or amendments proposed must be approved by an affirmative vote of the members owning not less than two thirds ( $2/3$ ) of the Voting Interests in the Condominium in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each such amendment of these Articles of Incorporation shall be recorded in the public records of the County within thirty (30) days from the date on which the same is filed in the office of the Secretary of State. Notwithstanding the foregoing provisions of this Article XV, no amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Developer to designate and select members of the Board of Directors of the Association, as provided in Article VIII hereof, may be adopted or become effective without the prior written consent of Developer.

## XVI. FIDELITY BONDING

In addition to the indemnification provisions hereof, the Association shall obtain and maintain blanket fidelity bonds on each director, officer and employee of the Association and of any management firm. The total amount of fidelity bond coverage shall be based upon the best business judgment of the Board of Directors and shall not be less than the estimated maximum funds including reserve funds, in the custody of the Association or management firm, as the case may be, at any given time during the term of each bond.

The fidelity bond shall name the Association as an obligee and shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or

similar terms or expressions. The premiums on all bonds shall be paid by the Association as a common expense (except for the premiums on fidelity bonds maintained by the management firm, if any). The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days prior written notice to the Association.

XVII. FHA/VA APPROVAL

As long as the Developer has control of the Condominium Association, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, the Subscriber hereto has hereunto set her hand and seal this 15<sup>th</sup> day of January, 1987.

/s/ Linda Connor Kane  
Linda Connor Kane

STATE OF FLORIDA

COUNTY OF DUVAL

I HEREBY CERTIFY that on this 15<sup>th</sup> day of January, 1987, before me, the undersigned authority, personally appeared Linda Connor Kane to me known to be the person who executed the foregoing Articles of Incorporation, and acknowledged the execution of such instrument for the uses and purposes therein expressed.

/s/ Jean M. Rhoden  
NOTARY PUBLIC, State of  
Florida at Large

My commission expires: 2/8/88

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

---

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

DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC.  
DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE OF  
FLORIDA WITH ITS PRINCIPAL PLACE OF BUSINESS AT CITY OF  
JACKSONVILLE, COUNTY OF DUVAL, FLORIDA, HAS NAMED MAURICE F.  
SHAVE, LOCATED AT 720 ASSISI LANE, ATLANTIC BEACH, FLORIDA AS  
ITS AGENT TO ACCEPT SERVICE OF PROCESS WITHIN FLORIDA.

DEERFIELD LAKES ASSOCIATES, LTD.  
a Florida limited partnership

BY: Mayport Beach Development, Inc.  
Its General Partners

BY: /s/ Maurice F. Shave  
Its Secretary

Date: January 15<sup>th</sup>, 1987

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

/s/ Maurice F. Shave

Dated: January 15<sup>th</sup> 1987

6283 1712

OFFICIAL RECORDS

DECLARATION OF CONDOMINIUM  
FOR  
DEERFIELD LAKES, A CONDOMINIUM

THIS INSTRUMENT WAS PREPARED BY  
Linda Connor Kane  
GALLAGHER, BAUMER, MIKALS, BRADFORD, CANNON, & WALTERS P. A.  
2525 Independent Square  
Jacksonville, Florida 32202

Return  
AMERICAN TITLE INSURANCE  
1730 SHADOWOOD LANE  
JACKSONVILLE FLORIDA

INDEX TO  
DECLARATION OF CONDOMINIUM  
FOR  
DEERFIELD LAKES, A CONDOMINIUM

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# DECLARATION OF CONDOMINIUM

FOR

## DEERFIELD LAKES, A CONDOMINIUM

THIS DECLARATION is made this 15th day of January, 1987, by Deerfield Lakes Associates, Ltd., a Florida limited partnership, ("Developer"), in and by which the Developer makes the following declarations.

### 1. INTRODUCTION AND SUBMISSION

#### 1.1 Submission Statement.

Developer hereby submits to the condominium form of ownership and use the land described in Exhibit A hereof, the improvements now and hereafter situated thereon, and the easements and rights appurtenant thereto (the "Condominium Property"), pursuant to Chapter 718, Florida Statutes, 1985, as amended to the date hereof (the "Condominium Act"). This is a phased condominium as described in Section 718.403, Florida Statutes. Additional land (more fully described in Exhibit A-1) may be submitted to condominium form of ownership pursuant to the provisions of Article 20 hereof.

#### 1.2 Name.

The name by which this condominium is to be identified is DEERFIELD LAKES, A CONDOMINIUM, sometimes herein called the "Condominium." The street address is 791 Assisi Lane, Mayport, Duval County, Florida.

#### 1.3 The Land.

The land submitted to Condominium is situated in Duval, Florida, and is described in Exhibit "A" attached hereto and made a part hereof, and consists of a parcel of real property (the "Land") upon which will be situated residential improvements ("Condominium Buildings") and Common Elements which are submitted hereby to condominium ownership, excluding therefrom all portions of the Land and pipes, lines or conduits installed thereupon reserved by Developer for itself, its successors or assigns for the installation of utilities and/or cable television. A survey and site plan of the Land is attached hereto and made a part hereof as Exhibit "C."

### 2. DEFINITIONS.

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

2.2. "Association" or "Condominium Association" means Deerfield Lakes Condominium Association, Inc., a not for profit Florida corporation, the entity responsible for the operation of the Condominium.

2.3. "Board" or "Board of Directors" means the Board of Directors of the Association pursuant to the Articles and Bylaws thereof.

2.4 "Building" means the structure or structures situate on the Condominium Property in which the Units are located, regardless of the number thereof. In connection with the insuring of the Condominium Property, the term "Building" has a more specific meaning more fully set forth in Section 10.2.

2.5 "Bylaws" mean the Bylaws of the Association.

2.6 "Common Elements" mean and include the portions of the Condominium Property which are not included within the Units, which is more specifically set forth in Section 3.6 hereof. Common Elements shall not include improvements installed by Unit Owners.

2.7 "Common Expenses" mean all expenses properly incurred by the Association for the Condominium.

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

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

2.10 "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.

2.11 "County" means the County of Duval, State of Florida.

2.12 "Declaration" or "Declaration of Condominium" means this instrument, as it may be amended from time to time.

2.13 "Improvements" mean all structures and artificial changes to the natural environment (exclusive of landscaping) located on the Condominium Property.

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

2.15 "Mortgagee" means a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), the Administrator of the Veterans Administration or Federal Housing Administration and other similar insurers and guarantors of mortgages, mortgage banker, or any other lender generally recognized as an institutional-type lender, or the Developer, holding a mortgage on a Unit or Units.

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

2.17 "Unit" means a part of the Condominium Property which is subject to exclusive ownership.

2.18 "Unit Owner" or "Owner of a Unit" or "Owner" means the record owner of a Condominium Parcel.

2.19 "Voting Interest" means the voting rights as distributed to the members in accordance with the Articles.

2.20 "Voting Certificate" means a document which designates one of the record title owners on the corporate partnership or entity representative who is authorized to vote on behalf of a Unit owned by more than one owner or any entity.

### 3. DESCRIPTION OF CONDOMINIUM PROPERTY.

#### 3.1 Number and Identification of Units.

Exhibit "D", attached hereto and made a part hereof includes a graphic description of the improvements comprising part of the Condominium Property. The Improvements in Phase 1 consist of twenty-two (22) Units located in one (1) two-story building and two (2) one-story buildings. Each "Unit" is identified (as defined in the Condominium Act and herein) by number. A plot (site) plan of the improvements is annexed and made a part hereof as Exhibit "C."

The construction of the improvements on the Land may not be substantially complete; however, at the time the Improvements or a portion thereof are substantially completed, the Developer shall cause this Declaration to be recorded to include a Certificate of Surveyor authorized to practice in this State. The certificate, which is attached, shall provide that the construction of the Improvements or certain Units to be conveyed are substantially complete so that the materials in Exhibits "A", "C" and "D," together with the provisions of the Declaration describing the Land and the Common Elements is an accurate representation of the location and dimensions of the Improvements and that the identification, location and dimensions of the Common Elements and of each Unit to be conveyed can be determined from these materials.

#### 3.2 Residential Buildings (Phase 1).

The Phase 1 improvements shall include one two-story building and two (2) one-story buildings containing twenty-two (22) Units and other appurtenant Common Elements and Limited Common Elements.

#### 3.3 Residential Buildings - Subsequent Phases.

The Developer has reserved certain rights in connection with the construction of the Subsequent Phases. See Article 20 for more detail.

#### 3.4 Other Improvements.

In addition to the Condominium Buildings situated thereon, the Land also includes improvements, consisting of unassigned parking spaces, roadways, walks, landscaping, mail kiosk, dumpster with protective fencing and all underground structures and improvements which are not part of or located within the Building, and which are not elsewhere herein reserved to and/or retained by Developer, such as wires, cables, drains, pipes, ducts, conduits, valves and fittings.

#### 3.5 Units.

The term "Units" as used herein, shall mean and comprise the twenty-two (22) condominium units in Phase 1 in the Condominium which are located and individually described in Exhibit "D" hereto. If subjected to this Declaration, the term "Units" shall also refer to the units to be constructed on the land described in Exhibit A-1.

Each Unit shall include that part of the Building containing such Unit that lies within the following boundaries:

(a) Upper and lower boundaries.

The upper and lower boundaries of a Unit shall be the boundary of the horizontal plane of the unfinished ceiling surface extended to an intersection with the perimetrical boundaries as an upper boundary and the boundary of the horizontal plane of the unfinished surface of the floor extended to an intersection with the perimetrical boundary as a lower boundary. For those Units which have cathedral or other types of irregular ceilings, the space above the horizontal plane and below the underside of the unfinished surface of the vaulted ceiling is part of the Unit.

(b) Perimetrical Boundary.

The perimetrical boundary of each Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(i) Exterior Building Walls:

The intersecting vertical planes adjacent to and which include the unfinished surface of the interior of the outside walls of the Condominium Building bounding a Unit.

(ii) Interior Building Walls:

The vertical planes of the interior unfinished surface of the walls bounding a Unit (excluding interior partitions within Units) extended to intersections with other perimetrical boundaries.

(c) Exclusions.

The Unit Owner shall not be deemed to own any spaces or improvements lying beneath the unfinished inner surfaces of the perimeter walls and floors, and above the lowest horizontal plane of the uppermost structural elements of each Unit, nor any spaces or improvements lying beneath the undercoated and/or unfinished inner surface of all interior columns, bearing walls and/or bearing partitions, nor any pipes, ducts, vents, wires, conduits or other facilities, equipment and/or fixtures running through any interior wall or horizontal or vertical portion of a Unit, for the furnishing of utility services, heating and cooling and/or ventilation to Units, Common Elements and/or Limited Common Elements.

(d) Apertures.

All glass and other transparent and/or translucent material, insect screens and screening in windows and doors, the material covering other openings in the exterior or interior walls of Units, where applicable, shall be construed to be within the boundaries or limits and part of the Unit exclusively served by such windows, doors and other openings.

(e) Mechanical Equipment.

All air conditioning compressors, water heaters, heat pumps and other mechanical equipment serving only one Unit shall be deemed to be a part of the Unit.

3.6 Common Elements.

The term "Common Elements", as used herein, shall mean and comprise all of the real property and improvements of the

Condominium except Units including, without limitation: (a) easements through Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to Units and Common Elements; and (b) easements of support in every portion of a Unit which contribute to the support of other Units and/or Common Elements; and (c) installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing the installation; provided that the ownership is not elsewhere reserved by the Developer or its designee and (d) the property and installations in connection therewith required for the furnishing of services to more than one Unit or to the Common Elements; and (e) fixtures owned or held for the common use, benefit and enjoyment of all owners of Units in the Condominium; (f) uncovered parking spaces; (g) easements for ingress and egress serving the Condominium property; (h) all open areas contained within the Land; (i) all roadways, sidewalks, paths, fences and entrance areas located on the Land and (j) all signs for Unit numbers, condominium name, building numbers; and (k) all other improvements owned or held for common use, benefit and enjoyment of all Unit Owners.

In addition it is hereby specifically acknowledged that the entrance lights affixed in front of each Unit are a part of the Common Elements of the Condominium. The entrance lights are installed with photosensitive cells which turn on the lights at dusk. These lights provide a part of the illumination for the Condominium Property and utilize electrical service from each Unit. Notwithstanding that use of metered electricity from the Unit, no Unit Owner or occupant of the Unit shall interfere with the operation of the light in its intended manner. The Developer has reserved the right to construct a 20 foot by 40 foot swimming pool with a deck and restroom facility at the time of construction of Phase V and to construct "tot lots" at the time of construction of Subsequent Phases. When constructed, such recreational facilities shall also constitute a Common Elements of the Condominium.

### 3.7 Limited Common Elements.

"Limited Common Elements," as the term is used herein, shall mean and comprise the Common Elements which are reserved herein, or assigned, or granted separately herefrom, for the use of a certain Unit or Units to the exclusion of other Units, consisting of the following:

(a) To each Unit a patio or balcony area as depicted on Exhibit D.

(b) Each Unit Owner of a Unit in the Condominium has the right of exclusive use of the air space and ground space occupied by the air conditioning compressor, heat pump, air handler and equipment and fixtures appurtenant thereto, serving that Unit.

(c) Anything to the contrary in this Declaration notwithstanding, in the event a Unit Owner mortgages his Unit together with his Limited Common Elements (whether or not fully assignable apart from the Unit), such Limited Common Elements shall not be assignable apart from the Unit unless they are released from the lien of the mortgage.

### 4. APPURTENANCES TO UNITS.

There shall be appurtenant, and pass with title, to each Unit, the rights, shares, and interests provided by the Condominium Act which shall be deemed to include, without limitation, the following:

#### 4.1 Use of Common Elements.

(a) An undivided share in the Common Elements and in the Common Surplus and an obligation to pay a pro rata share of the Common Expenses. The undivided share in the Common Elements, Common Expenses and the Common Surplus of the Condominium appurtenant to each Unit is that proportion of the total set forth, as a fraction, in the schedule which is annexed hereto and made a part hereof as Exhibit "B" which fractional share may be adjusted in accordance with the provisions therein; and

(b) The right to use exclusively, or in common with certain other Units where so specified, those portions of the Common Elements designated and/or reserved herein and/or granted elsewhere to a certain Unit or Units as Limited Common Elements; and

(c) The appurtenant share in the Common Elements and Common Surplus and the exclusive right to use all the Limited Common Elements appurtenant to a Unit, cannot be conveyed or encumbered except together with the Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided and no action for partition of the Common Elements, the Condominium Property or any part thereof, shall lie, except as provided herein with respect to termination of the Condominium.

#### 4.2 Easements.

(a) An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time (as shown on Exhibit "D" hereto) and as it may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is permanently vacated from time to time; and

(b) Non-exclusive easements, to be used and enjoyed in common with all Unit Owners the owners of all Units in the Condominium, their guests, invitees, and lessees, for use of those Common Elements not designated elsewhere herein as Limited Common Elements, including, without limitation, easements for:

(i) The furnishing and maintenance of private or public utility services to all parts of the real property of the Condominium over, across, in and through the Land, the Condominium Building and other improvements, as the fixtures and equipment therefor now exist and/or may be modified or relocated; and

(ii) Vehicular and pedestrian access over, across, upon, in and through the drives, sidewalks, entries, gates, walks, grounds, and other portions, if any, of the Common Elements as are intended and/or provided for pedestrian and vehicular traffic through the Condominium and for access to the common roadways.

(c) An exclusive easement for the encroachment by any Unit upon any other Unit or Common Element, or vice versa, for any reason not caused by or resulting from the willful act of Developer or any Unit Owner or Owners, including without limitation, encroachments caused by or resulting from the original construction of improvements, which exclusive easement shall exist at all times during the continuance of such encroachment, as an easement appurtenant to the encroaching Unit or other improvement, to the extent of such encroachment; and

(d) An exclusive easement for the use of the area of Land and air space occupied by the appurtenant mechanical equipment, e.g. air conditioning compressor, heat pump, air handler and the equipment and fixtures appurtenant thereto, situated in and/or on Common Elements of the Condominium but

exclusively serving a particular Unit, as the same exist in and on the Land, which exclusive easement shall be terminated automatically in any air space which is permanently vacated by such air conditioning compressor, heat pump, air handler and the equipment and fixtures appurtenant thereto, provided, that the removal of the same for repair and/or replacement shall not be construed to be a permanent vacation of the air space which it occupies.

#### 4.3 Membership.

The right to membership in the Association with full voting rights appertaining thereto upon the terms and is conditions set forth elsewhere herein.

#### 4.4 Ingress and Egress.

Each Unit Owner and his guests, invitees, lessees and domestic help, and all delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by the Developer or Grantor of the easement referenced therein ("Grantor") to serve the Condominium, holders of mortgage liens on the Condominium or any Unit and such other persons as the Developer may from time to time designate, shall have the non-exclusive and perpetual right of ingress and egress over and across the real property constituting common roads within the Condominium Property as described in Exhibits A and C attached hereto and made a part hereof.

### 5. THE ASSOCIATION.

#### 5.1 Name of Association.

The entity responsible for the operation of the Condominium shall be DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (the "Association"), of which a copy of the Articles of Incorporation is attached hereto and made a part hereof as Exhibit "E." Subject to the rights reserved to Developer herein, and in the Condominium Act to administer and manage the Condominium Property, the Association shall administer and manage the Condominium Property; provided, that the Association may, to the extent permitted by the Condominium Act, by contract, delegate its maintenance, management and operational duties and obligations.

#### 5.2 Bylaws of Association.

A copy of the Bylaws of the Association is attached hereto and made a part hereof as Exhibit "F".

#### 5.3 Voting Rights of Unit Owners.

The Unit Owner(s) shall become a member or members of the Association automatically upon and simultaneously with delivery of a deed of conveyance of fee title thereto from Developer or, in a conveyance by a grantee or a remote grantee of Developer, a deed which has been approved by the Association and otherwise complies with the terms and conditions of this Declaration, the Articles of Incorporation and Bylaws of the Association. There shall be appurtenant and pass with title to each Unit, one Voting Interest as a member of the Association, which may be exercised by the Unit Owner(s), or the duly constituted proxy of the Unit Owner(s), from time to time, at all meetings of members and in connection with all matters upon which all members of the Association are entitled to vote. The qualification of members of and manner of admission to membership in the Association, the termination of such membership and voting

by members shall be as provided for in the Articles of Incorporation and Bylaws of the Association. Upon the submission of a Subsequent Phase to this Condominium, the voting rights will automatically change as described in Article 20.

#### 6. AMENDMENT OF DECLARATION.

Except for amendments which Developer is authorized and/or obligated elsewhere herein to make and except as may be elsewhere herein or in the Condominium Act otherwise specifically provided, this Declaration may be amended only in the following manner.

##### 6.1 Notice.

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

##### 6.2 Proposal.

Amendments to this Declaration may be proposed by the Board of the Association by resolution adopted by a majority vote of the Directors present at any regular or special meeting of the Board at which a quorum is present or, in the alternative, by a written instrument signed by a majority of the Board, or by the owners of one-tenth (1/10) of the Voting Interests, whether by vote of such owners as members of the Association at a special or regular meeting of the members or by written instrument signed by them.

##### 6.3 Adoption.

Any amendment to this Declaration so proposed by the Board or members of the Association shall be transmitted to the President of the Association, or, in the absence of the President, to a Vice President or other acting chief executive officer, who shall thereupon call a special meeting of the Unit Owners in this Condominium to consider and vote upon such proposed amendment; provided, that a proposed amendment may be considered and voted upon at an annual meeting of the members of the Association if the next such meeting is to be held within the time hereafter limited and if notice of the proposed amendment shall be included in the notice of such meeting. The special or annual meeting, as the case may be, of the members shall be held not sooner than fourteen (14) days nor later than sixty (60) days from the date of receipt by the Association of the proposed amendment. Notice of the meeting shall be in the form and shall be delivered and the meeting shall be called and held as provided for in the Bylaws of the Association; provided, that any member may, in writing signed by such member, waive notice of any such meeting in the manner provided for in the Bylaws of the Association and such waiver, when delivered to the Secretary of the Association for filing in its records, whether before, during or after such meeting shall be construed to be the equivalent of giving notice to such member.

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

. for present text." Non-material errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment. For twenty years from the date of recording of this Declaration, the proposed amendment may be adopted, and shall become effective, by and upon the affirmative vote at such meeting of not less than ninety percent (90%) of the Voting Interests. Thereafter, the requisite percentage of Voting Interests for approval shall be not less than seventy-five percent (75%).

#### 6.4 Proviso.

Except as elsewhere permitted herein, no amendment shall:

(a) Change any "Condominium Parcel" (as defined in the Condominium Act) unless the record owner thereof and Mortgagees thereon shall join in the execution and acknowledgment of the amendment, or

(b) Discriminate against any Unit Owner or against any Unit or any class or group of Units comprising part of the Condominium Property, unless the record owners of all affected Units and Mortgagees thereon shall join in the execution and acknowledgment of the amendment, or

(c) Change the share of Common Elements appurtenant to any Unit or Units or the share of any Unit Owner in the Common Surplus, or increase the share of any Unit Owner(s) in the Common Expenses, except as provided upon the annexation of a Subsequent Phase, if any, unless the record owners of Units so affected and the Mortgagees thereon shall join in the execution and acknowledgment of such amendment, or

(d) Make any change in Article 10 hereof, entitled "Insurance," nor in Article 11 hereof, entitled "Reconstruction or Repair After Casualty," unless the Mortgagees on Units shall join in the execution and acknowledgment of the amendment, or

(e) Adversely affect the lien or priority of any previously recorded Mortgage to a Mortgagee; or

(f) Change the rights and privileges of the Developer without the Developer's written approval.

(g) So long as the Developer has title to any Condominium Unit, no amendment to this Declaration shall be made to this Declaration or any exhibits thereto unless the Developer shall consent in writing to the amendment, which consent may be withheld by the Developer for any reason.

(h) Change the use of any Unit or Common Element to commercial use without Developer's written consent.

(i) Merge the Condominium with another condominium regime without prior written approval of Mortgagees. &t+1;2 (j) The right of the Developer to amend this Declaration of Condominium as elsewhere provided herein shall not be abridged in any manner by this Article or any other article of this Declaration or exhibits thereto.

#### 6.5 Effective Date and Recording Evidence of Amendment.

An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed in the form required for the execution of a deed. Amendments

effected by the Developer must be evidenced in writing and recorded, but a certificate of the Association is not required. An amendment of the Declaration is effective when it is recorded in the public records of the County.

#### 6.6 Amendments by Developer.

Notwithstanding any provision to the contrary set forth in this Article or elsewhere in this Declaration or in the Articles of Incorporation or Bylaws of the Association, the Developer may amend this Declaration to add any surveyor's certificate(s), to submit Subsequent Phases to this Declaration [as more fully described in Article 20], to amend the documents as required by an Institutional Mortgagee, or in accordance with § 13.4 without the consent or joinder of any Unit Owner or Mortgagee, provided however, that any Mortgagee holding an interest in any land which constitutes a Subsequent Phase shall execute the amendment to add a phase. In no event may the Developer amend the Declaration to adversely effect the rights of Unit Owners granted pursuant to Section 718.403 (Phasing the Condominium) without the approval of the required percentage of Voting Interests.

#### 6.7 Amendment to Correct Omission or Error In Condominium Documents.

The Association, by the affirmative vote of not less than 51% of the Voting Interests, may amend the Declaration for the purpose of correcting a defect, error or omission in this Declaration so long as such amendment does not materially or adversely affect the rights of owners, lienors or mortgagees.

### 7. MAINTENANCE, REPAIRS AND REPLACEMENTS.

Responsibility for maintenance, repairs and replacements of Condominium Property and property of Unit Owners located or situated within the Condominium shall be as follows:

#### 7.1 Units.

Each Unit, and the personal property therein, fixtures, equipment and appliances comprising a part thereof, located therein, or exclusively serving the same shall be maintained, kept in good repair and replaced by and at the expense of the Owner(s) thereof. All maintenance, repairs and/or replacements for which Unit Owners are responsible and obligated to perform, whether structural or nonstructural, ordinary or extraordinary, shall be performed promptly as the need arises. Notwithstanding the obligation of Unit Owners for maintenance, repair and replacement of and in Units, the proceeds of all insurance awards or payments under insurance carried by the Association for loss or damage to or within such Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance.

#### 7.2 Common Elements.

The Association shall be responsible for, and shall assess against and collect from all Unit Owners, the costs of maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Elements except certain of the Limited Common Elements specified below. It is specifically acknowledged that neither the Association nor the Developer, for so long as the Developer is in control of the Association, can guaranty the survival of any grass or plant material installed on the Common Elements. Accordingly, in the event that any grass or plant material shall fail to thrive the Association and/or the Developer shall be entitled to use its discretion in the selection

of replacement grass or plant material. The Association shall, at the expense of all Unit Owners, repair any and all incidental damage to Units resulting from maintenance, repairs and/or replacements of or to Common Elements.

### 7.3 Limited Common Elements.

The responsibility for, and the cost of keeping clean and in orderly condition the Limited Common Elements described in §3.7 which exclusively serve a certain Unit to the exclusion of other Units, shall be borne by the Unit Owner(s) to which the same are appurtenant. The repair and on-going maintenance of Limited Common Elements shall be done by the Association, but paid for by the Unit Owner of the Unit to which it is appurtenant.

Notwithstanding the Unit Owners' obligations with respect to certain Limited Common Elements, any proceeds of insurance awards or payments under insurance carried by the Association for loss or damage to such Limited Common Elements shall be applied against such repair or replacement to the extent that such award or payments exceed the deductible limits of such insurance.

### 7.4 Management.

The Board may enter into a contract with any firm, person, or corporation or may join with any other condominium associations and entities in contracting for the maintenance and repair or management of the Condominium Property. The Board may contract for and may delegate to the contractor or manager all the powers and duties of the Association, except such as are specifically required by this Declaration or by the Bylaws, to have the approval of the Board of Directors or the membership of the Association. The contractor or manager may be authorized to determine the budget, make assessments for common expenses and collect assessments as provided by this Declaration, Bylaws and exhibits to this Declaration.

### 7.5 Entry for Maintenance.

The Board, or the agents or employees of any management firm or the Association, shall be allowed entry into any Unit or Limited Common Elements for the purpose of maintenance, inspection, repair, replacement of the improvements within the Units, Limited Common Elements, or the Common Elements or in case of emergency circumstances threatening Units, Limited Common Elements or the Common Elements, or to determine compliance with the provisions of this Declaration and the Bylaws of the Association. The liability for any damage done by the Board, agents or employees of any management firm or Association shall be assessed against the Unit Owner of the Unit being repaired, maintained or inspected unless such damage is created by the gross negligence or wilful misconduct of the Board, agents or employees of any management firm or Association. Entry for the above described purposes shall not be deemed a trespass.

### 7.6 Failure to Maintain.

In the event a Unit Owner fails to maintain his Unit and Limited Common Elements, as required herein, or makes any alterations or additions without the required consent, or otherwise violates or threatens to violate the provisions of this Declaration relevant to maintenance, alteration and repair, the Association shall have the right to levy an assessment against the Unit Owner and the Unit, for such necessary sums to perform the required maintenance to remove any unauthorized addition or alteration and to restore the Unit or Common Limited Common Element to good condition and repair. The Association shall have

the further right to have its employees or agents or any subcontractors appointed by them enter a Unit at all reasonable times to do such work as is deemed necessary by the Board of the Association to enforce compliance with the provisions hereof.

8. ALTERATIONS OF AND IMPROVEMENTS TO UNITS AND COMMON ELEMENTS.

Except as the right is herein reserved to Developer in Article 20, neither a Unit Owner nor the Association shall make any alterations, improvements or additions to Units, Common Elements, or Limited Common Elements except in compliance with the following conditions.

No Unit Owner shall make any addition, alteration or improvements in or to the Common Elements nor to his Unit or any Limited Common Element ("Proposed Improvement") without the prior written consent of the Board. The Board shall have the obligation to answer any written request by a Unit Owner for approval of such Proposed Improvement in such Unit Owner's Unit or Limited Common Element within 60 days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent.

The proposed additions, alterations, and improvements by the Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Developer, 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, subject to the Board's right to perform appropriate maintenance upon the failure of the Unit Owner to do so as provided in Section 7.6.

9. MANAGEMENT AGREEMENT.

9.1 Management Firm.

The Association, through its Board of Directors, may enter into a management agreement with a professional management firm ("Management Firm").

The Association may delegate to the Management Firm certain powers of the Association, not reserved to the Board of Directors under the provisions of the Condominium Act.

9.2 Duties of Management Firm.

Each Unit Owner, his heirs, successors, and assigns, shall be bound by the Management Agreement for the purposes therein expressed, including but not limited to:

(a) Adopting, ratifying, confirming, and consenting to the execution of the Management Agreement by the Association.

(b) Covenanting and promising to perform each and every of the covenants, promises, and undertakings to be performed by Unit Owners as provided in the Management Agreement.

(c) Ratifying, confirming, and approving each and every provision of the Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable.

(d) Agreeing that the persons acting as directors and officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.

### 9.3 Interested Directors.

It is specifically recognized that some or all of the persons comprising the original Board may be stockholders, officers and Directors of the Management Firm, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Management Agreement, in whole or in part.

## 10. INSURANCE.

Insurance shall be carried and kept in force at all times in accordance with the following provisions:

### 10.1 Duty and Authority to Obtain.

The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be purchased for the benefit of the Association and the Unit Owners and their Mortgagees, and all policies of such insurance shall be deposited with and held by the "Insurance Trustee" (as herein identified); provided that a certificate evidencing a mortgagee endorsement shall be issued to the Mortgagee of each Unit. The Unit Owners may, at their own expense, obtain insurance coverage against damage to and loss of the contents of the Unit, including, without limitation, carpeting, wall and ceiling coverings, personal liability for injury to and death of persons and damage to and loss of personal property of others, and against additional living expenses. Provided, however, that each policy of such insurance purchased by a Unit Owner shall, where such provision is available, state that the insurer waives its right of subrogation as to any claim or claims against other Unit Owners, the Association, and their respective employees, agents, guests and invitees.

### 10.2 Required Coverage.

The Association shall purchase and carry casualty insurance covering all of the Buildings and other improvements, including personal property of the Condominium. All hazard policies issued to protect Buildings whenever used in the policy shall include, but shall not necessarily be limited to fixtures, installations, or additions comprising that part of the Building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed or replacements thereof of like, kind or quality in accordance with the original plans and specifications, or as existed at the time the Unit was initially conveyed if the original plans and specifications are not available, excluding therefrom the insuring of floor, wall and ceiling coverings (which may be jointly referred to as "Insured Property") in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the Board of Directors of the Association in accordance with reasonably acceptable appraisal practice. Such insurance shall include or afford protection against:

(a) Loss or damage by fire or other hazards covered by the standard extended coverage and broad form and/or special form; and

(b) Such other risks or perils of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings and other improvements similar, in construction, location and use, to the building and other improvements of the Condominium, including without limitation, vandalism, malicious mischief, windstorm, and flood and perils covered by the standard "all risk" endorsement, if available.

(c) Comprehensive general liability insurance in the amount of \$500,000 for bodily injury including deaths of persons and property damage arising out of a single occurrence and an umbrella policy of \$1,000,000 for both, insuring the Association, the Board of Directors, the Management Firm, at the discretion of the Board of Directors, and each Unit Owner for claims arising out of or in connection with the ownership, operation or maintenance of any of the Condominium Property including Common Elements and public ways of the Condominium. This coverage shall exclude Unit Owner liability coverage for claims arising in connection with that portion of the property used and occupied exclusively by a particular Unit Owner. Such comprehensive general liability insurance shall also cover cross liability claims of one insured against the other. Coverage under this policy shall include without limitation legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation and maintenance of the Common Elements and legal liability arising out of law suits related to contracts entered into by the Association. The Board of Directors shall review such limits once a year.

(d) Workmen's compensation insurance to meet the requirements of law.

(e) Loss or damage by flood, to the extent and limitations, if any, required or necessitated by law, including, without limitation, the Flood Disaster Protection Act of 1973, or any similar law or regulation.

(f) Director and officer liability coverage, and to the extent the duties and obligations of the Board are delegated for such delegates. Such bonds shall comply with the requirements of Mortgagees.

(g) The following endorsements to the policy shall be obtained if available:

(i) Agreed amount and Inflation Guard Endorsement.

(ii) Construction code endorsements, if a construction code provision requires changes to undamaged portions of the building when only part of the project is destroyed by an insured hazard.

### 10.3 Optional Coverage.

The Association may purchase and carry other insurance coverage or obtain other endorsements including without limitation, products liability, agreed amount and inflation guard endorsements, construction code endorsements and steam boiler coverage as the Board, in its sole discretion, may determine from time to time to be in the best interests of the Association and Unit Owners, or as an Mortgagee may reasonably require while it holds a mortgage encumbering any Unit. Any waiver of subrogation contained in policies shall include waivers as to the Management Firm.

#### 10.4 Premiums.

Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. The cost of insurance premiums, and other incidental expenses incurred by the Association in administering and carrying out the provisions of this Article, shall be assessed against and collected from Unit Owners as a Common Expense.

#### 10.5 Additional Provisions.

Any policy obtained by the Association must provide for the following, if available:

(a) Recognition of any Insurance Trust Agreements.

(b) Waiver of the right of subrogation against Unit Owners individually.

(c) The policy not being prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively.

(d) The policy being primary in the event that the Unit Owner has other insurance covering the same loss.

(e) The policy not being cancelled or substantially modified without at least 60 days prior written notice to the Association and mortgagee which is listed as a scheduled holder of a first mortgage in the insurance policy.

#### 10.6 Assured.

All policies of insurance obtained and purchased by the Association shall be for the benefit of the Association, the Unit Owners and their Mortgagees, as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the "Insurance Trustee," as herein identified, or to its successor, and the proceeds from insurance against any casualty loss shall be held for the use of the Association, Unit Owners and their respective Mortgagees, as their interests may appear, to be applied or distributed in the manner herein provided. Policies shall contain the standard Mortgage Clause or equivalent endorsement without contribution. The Association is hereby constituted and appointed agent for all Unit Owners and mortgagees, with authority to negotiate and settle the value and extent of any and all losses covered under any policy of casualty insurance, and the Association is granted full right and authority to execute, in favor of any insurer, a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

#### 10.7 Insurer.

All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association, including without limitation Unit Owner(s) and Mortgagees shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

#### 10.8 Insurance Trustee.

The Association shall have the right but no obligation to designate the Insurance Trustee and all persons beneficially interested in such insurance coverage shall be bound by the Association's selection of the Insurance Trustee. If the

Association fails or elects not to appoint such Insurance Trustee, the Association will perform all obligations imposed upon such Trustee by this Declaration. The Insurance Trustee shall be either a bank with trust powers, doing business in the State of Florida, the Board or an attorney who is a member of the Florida Bar. The Insurance Trustee, if a bank or attorney, shall not be liable for the payment of premiums, the renewal of any policy or policies of casualty insurance, the sufficiency of coverage, the form or content of policies, nor for the failure to collect any insurance proceeds. The duties of the Insurance Trustee, if a bank or attorney, shall be to hold such insurance policies as may be placed with it pursuant to Section 10.1 and to receive such proceeds of casualty insurance as are paid and to hold the same in trust for the purposes herein stated, and for the benefit of the Association, Unit Owners and their respective Mortgagees, to be disbursed as herein provided. The Association shall pay a reasonable fee to the Insurance Trustee, if a bank or attorney, for services rendered hereunder and shall pay such costs and expenses as the Insurance Trustee may incur in the performance of its duties hereunder. Such fees and costs to be assessed against and collected from Unit Owners as a Common Expense. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then only for such money as may come into the possession of the Insurance Trustee. If and when the Insurance Trustee is required to distribute insurance proceeds to Unit Owners and their Mortgagees, as their respective interests may appear, the Insurance Trustee, if a bank or attorney, may rely upon a certificate of the President and Secretary of the Association, executed under oath and provided to the Insurance Trustee upon request to the Association, such certificate to certify the name or names of the each Unit Owner(s), the Mortgagee(s) thereof, and the respective percentages of any distribution which is to be made to the Unit Owner(s) and Mortgagee(s), as their respective interests may appear. If and when insurance proceeds are paid to the Insurance Trustee for any casualty loss, the institutional Mortgagee(s) shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of indebtedness secured by such Mortgagee(s), unless the insurance proceeds represent a distribution to the Unit Owners and the Mortgagee(s) thereof, after such insurance proceeds have been first applied to repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the Unit Owner(s), and the Mortgagee(s) thereof by reason of loss of or damage to personal property constituting a part of the Common Elements and as to which a determination is made not to repair, replace or restore such personal property.

#### 10.9 Application of Insurance Proceeds.

The proceeds of casualty insurance paid to the Insurance Trustee by an insurer for loss or damage to real and/or personal property upon which the Association carries insurance, shall be applied and paid as follows:

(a) Common Elements Only.

The proceeds paid to the Insurance Trustee for loss of or damage to real property constituting Common Elements only shall be applied to the repair, replacement or reconstruction of such loss or damage. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements, the excess shall be paid by the Insurance Trustee to the Association and such funds shall become part of the Common Surplus of the Association. If the insurance proceeds shall be insufficient to pay the cost of the repair, replacement or reconstruction of such

Common Elements, the Association shall deposit with the Insurance Trustee, from any Association Reserve Fund which may have been established, the difference between the total cost of repairing, replacing or reconstructing such loss or damage and the amount of the insurance proceeds. If no such Association Reserve Fund has been established, or if any such Association Reserve Fund has been established and is insufficient to pay to the Insurance Trustee such difference, the Association shall assess the amount of the difference against, and collect it from, all Unit Owners, as a Common Expense.

(b) Units.

The proceeds paid to the Insurance Trustee for loss of or damage to any portion of the Condominium Building, constituting damage to Common Elements and one or more Units thereof, shall be first applied to the repair, replacement or reconstruction of Common Elements, then to the repair, replacement or reconstruction of any Unit or Units in the Building which have been destroyed or damaged. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements and Units, the excess shall be paid by the Insurance Trustee to the Association and such funds shall become part of the Common Surplus of the Association. If the insurance proceeds shall be sufficient to pay for the repair, replacement or reconstruction of the Common Elements but shall be insufficient to pay the cost of the repair, replacement or reconstruction of the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from, the owner(s) of the Unit(s) damaged or destroyed, in proportion to that the amount of damage sustained to each such Unit bears to the total deficit, and deposit such sum with the Insurance Trustee to be applied by the Insurance Trustee toward the total cost of repairing, replacing or reconstructing all of such damaged or destroyed Common Elements and Units. If the insurance proceeds shall be insufficient to pay the cost of the repairs, replacements, or reconstruction of the Common Elements and the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from all Unit Owners, the total cost of repairing or replacing the Common Elements as a Common Expense. The cost of repairing, replacing or reconstructing the Unit or Units destroyed or damaged shall be assessed by the Association against, and collected from, the owner(s) of such damaged or destroyed Units in proportion that the amount of damage sustained to each Unit bears to the total deficit.

(c) Proceeds of Optional Property Coverage.

If any, proceeds from any damage occasioned solely to Units and/or certain portions or all of the contents thereof not included in Insured Property, as determined by the Association in its sole discretion, (collectively "Optional Property"), are collected by reason of optional insurance which the Association elects to carry thereon, such proceeds shall be held for the benefit of the Unit Owners or Owners other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.

10.10 Deposits to Insurance Trustee After Damage.

Within sixty (60) days after a loss of or damage to Condominium Property covered by casualty insurance, the Association shall obtain estimates of the cost of repairing, replacing or restoring the same, including the cost of professional fees and any construction bond which the Board of

Directors may require. If, from such estimates, it shall appear that the insurance proceeds payable for such loss or damage will be insufficient to pay the total costs thereof, the additional money required to pay the total cost thereof, whether it is to be paid by one or more Unit owners, shall be deposited with the Insurance Trustee not later than thirty (30) days from (i) the day on which the Insurance Trustee receives the insurance proceeds or (ii) the date of receipt of cost estimates for repair or replacement, whichever last occurs.

#### 11. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

Whether, and the manner in which, any or all of the Condominium Property which shall be damaged or destroyed by casualty shall be repaired, reconstructed or replaced shall be determined as follows:

##### 11.1 Insured Property.

If the Insured Property shall be damaged or destroyed, repair or reconstruction thereof, or termination of the Condominium, shall be in accordance with the following:

###### (a) Total Destruction of the Insured Property.

If seventy-five (75%) or more of the Insured Property is destroyed or so damaged that at least seventy-five percent (75%) of the Units therein are not habitable, the Units and none of the Improvements comprising Common Elements thereof shall be reconstructed, and the Condominium shall be terminated unless the Unit Owners to which seventy-five (75%) percent of the Common Elements are appurtenant agree in writing, within 60 days after the date of such destruction, to reconstruct the same and/or unless any policy or policies of casualty insurance covering the same shall require reconstruction thereunder, and in either case as long as the then applicable zoning and other regulatory laws and ordinances shall allow the same to be reconstructed.

###### (b) Partial Damage to the Insured Property.

If less than seventy-five percent (75%) of the Insured Property is damaged, the damaged or destroyed Common Elements and/or Units shall be repaired or reconstructed so that the Units and Common Elements shall be restored to substantially the same condition as existed prior to such damage or destruction, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere herein provided that the Condominium shall be terminated.

###### (c) Responsibility for Damage to Units Only.

If the damage or destruction shall be limited only to one or more Units for which the responsibility of maintenance and repair is that of the affected Unit Owners, then such Unit Owners shall be responsible for carrying out the repair or reconstruction thereof. In all other instances of damage or destruction, the Association shall be responsible for carrying out the repair and reconstruction thereof.

##### 11.2 Certificate.

The Insurance Trustee may rely upon a certificate executed by the President and Secretary of the Association to determine whether or not damaged or destroyed Condominium Property shall be repaired or reconstructed.

##### 11.3 Plans and Specifications.

Repair or reconstruction of Condominium Property shall be substantially in accordance with the plans and specifications pursuant to which the same was originally constructed, provided that the Board may authorize reasonable variations from the original plans and specifications as may appear to them to be necessary or desirable, subject to the rights of the Association to approve certain architectural proposals.

#### 11.4 Construction Funds.

All funds for the payment of repair and reconstruction costs, consisting of insurance proceeds and/or funds collected by the Association from Unit Owners (jointly referred to herein as "Reconstruction Funds"), shall be disbursed toward payment of such costs in the following manner:

##### (a) Association.

If the total of the Reconstruction Funds is more than \$100,000.00, then all the Reconstruction Funds shall be deposited with and disbursed by the Insurance Trustee. In all other cases the Association shall hold the Reconstruction Funds and shall disburse the same in payment of the costs of reconstruction and repair upon receipt of proper invoices. Provided, however, upon request of a Mortgagee, the Reconstruction Funds, even if less than \$100,000 shall be disbursed by the Insurance Trustee.

##### (b) Insurance Trustee.

If the Reconstruction Funds shall be deposited with the Insurance Trustee, the Insurance Trustee shall disburse the Reconstruction Funds in the manner required by the Board and upon receipt of a proper invoice and approval of an architect registered to practice in Florida and employed by the Association to supervise the work.

##### (c) Surplus.

It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in the Reconstruction Fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Association and shall constitute a part of the Common Surplus.

##### (d) Certificate.

Notwithstanding the provisions herein, the Insurance Trustee, if a bank or attorney, shall not be required to determine whether or not the Reconstruction Funds shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the Reconstruction Fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the Reconstruction Fund nor to determine whether surplus funds to be distributed are less than the assessments paid by Unit Owners. Instead, the Insurance Trustee 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 name of the payee and the amount to be paid; provided that when a Mortgagee is herein required to be named as payee the Insurance Trustee shall also name the Mortgagee as payee; and further provided that when the Association or a Mortgagee, which is the beneficiary of an insurance policy the proceeds of which are included in the Reconstruction Funds, so requires, the approval of an architect named by the Association shall be first obtained by the Association.

## 12. USE RESTRICTIONS.

In order to provide for congenial occupancy of the Condominium Property and for the protection of the value of the Units, the use of the Condominium Property shall be in accordance with the following provisions so long as the Condominium exists:

### 12.1 Units.

Each Unit shall be used for a single household and for residential non-commercial purposes only. Nothing herein shall be construed to prohibit leasing of the Units, provided that such leases are in compliance with paragraph 12.9 hereof.

### 12.2 Insurance.

No use shall be made of any Unit or of the Common Elements or Limited Common Elements which will increase the rate of insurance upon the Condominium Property without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in cancellation of insurance on any Unit or any part of the Common Elements, or which will be in violation of any law. No waste shall be committed in the Common Elements.

### 12.3 Signs.

No sign of any kind shall be displayed to public view on or from any Unit or the Common Elements without the prior written consent of the Board.

### 12.4 Pets.

Unit Owners are permitted to have not more than one dog (not to exceed 30 pounds) one cat, fish and a reasonable number of small animals, so long as all are bonafide household pets and not kept for commercial purposes; do not make objectionable noises or otherwise constitute a nuisance or inconvenience to any occupants and are kept in compliance with all applicable advances. Pets shall be leashed and restrained at all times when on or about the Condominium Property. Owners shall remove and dispose of all animal waste from the Common Elements. No guest, lessee, or invitee shall bring any animal upon the Condominium Property. Unit Owners maintaining pets on the Condominium Property, or whose guests, lessees, or invitees bring any animal upon the Condominium Property in contravention of these restrictions, shall be responsible for, and bear the expense of, any damage to person or property resulting therefrom. Any such damage shall be determined by the Board and collection by the Association.

### 12.5 Encroachments.

None of the rights and obligations of the Unit Owners created herein or by the deed conveying the Condominium shall be altered in any way by encroachment due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of any such encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor a Unit Owner(s), if encroachment occurred due to the willful conduct of the Unit Owner(s).

### 12.6 Common Elements.

The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units. There shall be no obstruction or alteration of, nor shall

anything be stored, altered or constructed in, or removed from, the Common Elements or Limited Common Elements without the prior written consent of the Association.

#### 12.7 Nuisances.

No noxious or offensive activity shall be allowed upon the Condominium Property, nor any use or practice which is the source of annoyance or nuisance to Unit Owners or guests or which interferes with the peaceful possession and proper use of the Condominium Property by residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist.

#### 12.8 Lawful Use.

No immoral, improper, offensive 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 thereof shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the Condominium Property shall be the same as is elsewhere herein specified.

#### 12.9 Leasing.

All leases of the Units must be for a minimum of six (6) months and must provide that the lessee shall be bound by the provisions of this Declaration, and any noncompliance by such lessee shall be the responsibility of the Unit Owner.

#### 12.10 Exterior Improvements; Landscaping.

No Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Building (including, but not limited to, awnings, signs, storm shutters, screens, furniture, fixtures and equipment), nor to plant or grow any type of shrubbery, flower, tree, vine, grass or other plant life outside his Unit except on the Limited Common Element for the respective Unit, nor place any permanent decoration within the landscaping, without the prior written consent of the Association, subject always to the provisions hereof. In addition, all window coverings, including without limitation, drapes, curtains, shades or blinds, shall be lined or otherwise appear from the exterior to be off-white, white, light gray or beige.

#### 12.11 Regulations.

Reasonable regulations and rules concerning the use of the Condominium Property may be promulgated, modified or amended from time to time by the Board.

#### 12.12 Enforcement.

The Association shall have the right to enforce all the restrictions set forth in this Article and the Declaration in any manner it deems necessary including without limitation, injunctions, suit for damages, or fines.

#### 13. RESERVED RIGHTS OF DEVELOPER.

In addition to various rights reserved by the Developer elsewhere provided in this Declaration, the Developer reserves the following rights:

### **13.1 Developer's Use of Units.**

Until Developer has completed and conveyed all of the Units, neither Unit Owners nor the Association shall interfere with the completion of the proposed improvements and the sale of the Units. Developer may make such use of the unsold Units and Common Elements as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, model units, the showing of the Unit and the display of signs.

### **13.2 Easement Rights of Developer.**

#### **(a) Roads.**

Developer hereby reserves for itself and its designees, an easement over the Condominium Property as it may deem necessary for preserving, maintaining or improving the common roadways.

#### **(b) Developer's Easement to Correct Drainage**

For a period of five years from the date of conveyance of the first Unit, the Developer reserves for itself and its designees an easement and right on, over and under the ground within the Condominium Property to maintain and to correct drainage of surface water and other erosion controls in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Developer shall restore the affected Condominium Property to its original condition as nearly as practicable. The Developer shall give reasonable notice of intent to take such action to all affected owners, unless in the opinion of the Developer an emergency exists which precludes such notice. The rights granted hereunder may be exercised at the sole option of Developer and shall not be construed to obligate Developer to take any affirmative action in connection therewith.

#### **(c) Construction Easement**

Developer reserves for itself, its nominees, designees, successors and assignees, an easement over and across the Condominium Property as may be reasonably necessary in connection with the construction of improvements within the Condominium Property. Such easement shall include, but not be limited to, an easement for the use of necessary and usual equipment in connection with such construction activity, together with the usual and common noise level created by such construction activity.

#### **(d) Cable Television**

The developer hereby reserves the right to install or contract for the installation of cable television within the Condominium Property and to grant the necessary easements in connection therewith. Such service, when installed, shall be provided to Units on a non-discriminatory basis.

### **13.4 Right to Amend.**

Without limiting the right of the Developer to amend as otherwise set forth herein, the Developer, so long as it owns Units to which more than twenty-five (25%) percent of the Common Elements are appurtenant, reserves the right at any time to amend the Declaration, as may be required by any Mortgagee or public body or title insurance company without further consent of the Unit Owners or other Mortgagees, provided, however, the Developer shall not amend those portions of the Declaration in compliance

with Section § 718.403 of the Act without the required consent of Unit Owners.

#### 13.5 Rights of Developer to Sell or Lease Units.

So long as Developer, or any mortgagee succeeding Developer in title, shall own any Unit, it shall have the absolute right to lease or sell any such Unit to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests.

#### 13.6 Additional Easements Reserved.

The real property submitted to condominium ownership herewith is subject to conditions, limitations, restrictions, reservation, all matters of record, taxes, applicable zoning ordinances now existing or which may hereafter exist, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility service and drainage now existing or hereafter granted by the Developer for the benefit of such persons as the Developer designates. The Developer shall have the right to grant such easements over and upon the Condominium Property and designate the beneficiary thereof until five years after the recording of the Declaration or until such time as Developer transfers control of the Association to the Unit Owners, whichever shall first occur. Thereafter the Board of Directors shall be empowered to grant such easements on behalf of its Members. During the period of time that Developer has the right to grant the foregoing easements, the consent and approval of the Board of Directors shall not be required. The right to grant the foregoing easements shall be subject to the requirement that the easements not structurally weaken the Condominium building(s) and improvements upon the Condominium Property nor unreasonably interfere with the enjoyment of the Condominium Property by Unit Owners.

#### 14. COMPLIANCE AND DEFAULT.

Each Unit Owner shall be governed by and shall comply with the terms of the Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, and any and all regulations adopted pursuant thereto, as they may be amended from time to time. Failure of the Unit Owner to comply therewith shall entitle the Association or other Unit Owners to the following relief in addition to the remedies provided by the Condominium Act:

##### 14.1 Compliance.

A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, employees, agents, lessees or other invitees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances, or of the Common Elements.

##### 14.2 Remedies.

In the event a Unit Owner or occupant fails to maintain a Unit or the Limited Common Elements appurtenant to the Unit, or fails to cause such Unit or Limited Common Elements to be maintained, or fails to observe and perform all applicable provisions of the Declaration, the Bylaws, the Articles of Incorporation of the Association, applicable or any other agreement, document or instrument affecting the Condominium

Property or administered by the Association in the manner required, the Association shall have the right to proceed in court of equity to require performance and/or compliance, to sue in a court of law for damages, to assess the Unit Owner and the Unit for the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance and to collect such sums and have a lien therefor. 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.

In addition to or instead of the above the Association shall have the right to levy fines against Unit Owners for any violation of the Declaration and/or any rules or regulations established by the Association. No fine shall become a lien against a Unit; no fine shall exceed \$25.00 per occurrence nor shall any fine be levied except after giving reasonable notice and opportunity for a hearing to Unit Owner and if applicable his licensee or invitee in the manner as may be from time to time required by the Condominium Act or as may be provided in the rules and regulations made in accordance with the Act and in accordance with this Declaration. Any reference to a fine contained in this Declaration shall not be construed as a limitation; fines may be assessed for the violation of any provision herein.

#### 14.3 Costs and Attorney's Fees.

In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Declaration, the Articles of Incorporation and Bylaws of the Association, or any and all regulations applicable to such owner as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

#### 14.4 No Waiver of Rights.

The failure of the Association, or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and Bylaws of the Association, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

#### 15. ASSESSMENTS: LIABILITY AND DETERMINATION.

To provide the funds necessary for proper operation and management of the Condominium, the Association has been granted the right to make, levy and collect Assessments against all Unit Owners and Units. The following provisions shall govern the making, levying and collecting of such Assessments and the payment of the costs and expenses of operating and managing the Condominium by the Association.

#### 15.1 Liability for Assessments.

Assessments by the Association against each Unit Owner and his Unit shall be computed by dividing the total budget for the Condominium by each Unit's fractional percentage of the total assessments as is set forth in the Schedule annexed hereto and made a part hereof as Exhibit "F."

Should the Association become a Unit Owner, the Assessment which would otherwise be due and payable to the Association by the Unit Owner, reduced by an amount of income which may be derived from the leasing of such Unit(s) by the Association, shall be apportioned and the assessment therefor levied ratably among all Unit Owners which are not owned by the Association, based upon their proportionate interests in the Common Elements exclusive of the interests therein appurtenant to any Unit or Units owned by the Association.

The owner(s) of each Unit shall be personally liable, jointly and severally, as the case may be, to the Association for the payment of all Assessments, regular or special, interest on such delinquent assessments or installments thereof as above provided, and for all costs of collecting the Assessments and interest thereon, including a reasonable attorney's fee, whether suit be brought or not, levied or otherwise coming due while such person(s) or entity own(s) a Unit.

No Unit Owner may exempt himself from liability for any assessment levied against such Unit Owner and his Unit by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of the Unit, or in any other manner.

#### 15.2 Time for Payment.

The Assessment levied against the each Unit Owner and his Unit shall be payable monthly or such other installments as the Board may determine and unless changed by the Board, shall be payable on the first day of each month. The date of commencement of the Assessments against each Unit shall be established by the Board.

#### 15.3 Annual Budget.

The Board shall establish an Annual Budget in advance for each fiscal year which shall estimate all Common Expenses for the forthcoming fiscal year required for the proper operation, management and maintenance of the Condominium, including, when deemed necessary or advisable by the Board, a reasonable allowance for contingencies and reserves.

#### 15.4 Reserve Fund.

The Board, in establishing each Annual Budget, shall include therein a sum to be collected and maintained as a reserve fund for the capital expenditures, deferred maintenance for any item for which the deferred maintenance expense or replacement cost is greater than \$10,000. The amount to be reserved shall be determined by the Board of Directors or as may be required under the provisions of the Condominium Act and may be deleted by a vote of the statutory requisite percentage of Unit Owners. Provided however, if a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall be deemed adopted.

### **15.5 General Operating Reserve.**

The Board, when establishing each Annual Budget, may, when deemed necessary or desirable, include therein a sum to be collected and maintained as a general operating reserve to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of Assessments by Unit Owners, as a result of emergencies or for other reason placing financial stress upon the Association. The annual amount allocated to such operating reserve and collected therefor shall not exceed five percent (5%) of the current annual Assessment levied against all Unit Owners. Upon accrual in the operating reserve of an amount equal to but not exceeding twenty-five percent (25%) of the current annual assessment, no further payments shall be collected from the Unit Owners as a contribution to such operating reserve, unless it shall be reduced below the twenty-five percent (25%) level, in which event, the annual Assessment against each Unit Owner and/or Unit shall be increased to restore the operating reserve to an amount which will equal but not exceed twenty-five percent (25%) of the current annual amount of the Assessment.

### **15.6 Use of Association Funds.**

All moneys and assessments collected by the Association shall be treated as the separate property of the Association, and such moneys may be applied by the Association to the payment of the Common Expenses, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles, and Bylaws. As the moneys for Assessments are paid to the Association by any Unit Owner, the same may be co-mingled with moneys paid to the Association by the other owners of Units. Although all funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of Common Elements, including, without limitation, Common Surplus, shall be held for the benefit of the Unit Owners, no Unit Owner shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest in the Association except as an appurtenance to his Unit.

### **15.7 Special Assessments.**

Special Assessments shall be those Assessments other than Assessments described under Section 15.1 assessed equally against all Unit for the purpose of funding any services or acquisitions permitted under the Articles of Incorporation and the Bylaws which are not part of the annual budget or which are necessary due to the occurrence of a disaster or Act of God which is not otherwise covered by insurance.

The specific purpose or purposes of any Special Assessment shall be set forth in a written notice of such Assessment sent or delivered to each Unit Owner. The funds collected pursuant to such approved Special Assessment shall be used only for the specific purposes or purposes set forth in such notice or returned to Unit Owners. However upon completion of such specific purpose or purposes any excess funds shall be considered Common Surplus.

### **15.8 Delinquency or Default.**

The payment of any assessment or installment thereof due to the Association shall be in default if not paid to the Association on or before the due date thereof. If any assessment or installment is not paid by the due date, the Owner and the Unit shall be assessed an automatic late penalty of ten dollars (\$10.00) if not paid within 15 days of the due date or a late

penalty of twenty-five dollars (\$25.00) if not paid within 30 days of the due date. In addition to those sums, assessments and installments thereof not paid within sixty (60) days from the date they are due shall bear interest at the highest lawful rate from the 60th day from due date until paid.

#### 15.9 Developer's Liability for Assessment.

The Developer shall be excused from the payment of the share of the Common Expenses relating to Units it owns for a period of time beginning with the recording of this Declaration and ending no later than the first day of the twelfth calendar month following the month in which the closing of the purchase of the first Condominium Unit occurs or the date on which the Developer transfers control of the Condominium Association to the Owners, whichever first occurs ("Guaranty Period"). During the Guaranty Period, the Developer guarantees that the monthly assessment shall not exceed \$62.00 per month. The Developer shall pay the portion of Common Expenses incurred during that period which exceeds the total amount collected from other Unit Owners at the guaranteed level. No working capital contribution funds shall be used during the period of time during which the Developer is excused from paying assessments for any of the items set forth in the original operating budget.

#### 16. ASSESSMENTS: LIEN AND ENFORCEMENT.

##### 16.1 Lien for Assessment.

The Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Elements or Limited Common Elements subordinate to prior bona fide liens of record, which lien shall and does secure the moneys due for all: (a) Assessments levied against each Unit Owner and his Unit, including maintenance fees, and approved Special Assessments, and (b) costs and expenses, including a reasonable attorney's fee, filing fees and court costs which may be incurred by the Association in collecting and enforcing its lien upon the Unit and its appurtenances. The lien granted to the Association may be established and foreclosed in the Circuit Court in and for the County. Any such enforcement shall be in accordance with the requirements of the Act. No such lien shall continue for a longer period than one (1) year after the claim of lien has been recorded, unless within that time action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all costs as set forth in Subsections (a) and (b) and which may accrue subsequent to recording the claim of lien and prior to entry of a final judgment of foreclosure.

In any suit for the foreclosure of the lien, the Association may be entitled to rental from the Owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for the Unit. The rental required to be paid, if any, shall be equal to the rental charged on comparable types of Units in the County.

##### 16.2 Recording and Priority of Lien.

The lien of the Association shall be effective from and after recording, in the public records of the County, a claim of lien stating the description of the Unit encumbered thereby, the name of the record owner, the amount and the date when due, and shall continue in effect until all sums secured thereby shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above

provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record at the expense of the Unit Owner. The lien of the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording the Association's claim of lien.

#### 16.3 Effect of Foreclosure or Judicial Sale.

In the event that any person, firm or corporation shall acquire title by a purchase at the public sale resulting from a Mortgagee's foreclosure judgment or foreclosure suit in which the Association has been properly named as a defendant junior lienholder or as a result of deed given in lieu of foreclosure, such person, firm or corporation so acquiring title shall only be liable and obligated for Assessments as shall accrue and become due and payable for the Unit and its appurtenant undivided interest in Common Elements subsequent to the date of acquisition of such title, and shall not be liable for the payment of any Assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any Assessment or Assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Unit Owners as a part of the Common Expense, although nothing herein contained shall be construed as releasing the party personally liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

#### 16.4 Effect of Voluntary Transfer.

When Unit Owner proposes to sell or mortgage his Unit in compliance with other provisions of this Declaration, the Association, upon written request of the Unit Owner, shall within fifteen days thereof furnish to the Unit Owner, proposed purchaser or Mortgagee, a statement verifying the status of payment of any Assessment which shall be due and payable to the Association by the Unit. Such statement shall be executed by any officer of the Association and any purchaser or Mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Unit is to be sold or mortgaged at the time when payment of any Assessment against the Unit Owner and Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the proceeds of such sale or mortgage proceeds, as the case may be, shall be applied by the purchaser or Mortgagee first to payment of any then delinquent assessment or installment thereof due to the Association before payment of the balance of such proceeds of sale or mortgage to the Unit Owner responsible for payment of such delinquent Assessment.

In any voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor made prior to the transfer of title, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

#### 16.5 No Election of Remedies.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent Assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by

foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it.

17. TERMINATION.

The Condominium may be terminated in the following manner, in addition to the manner provided by the Condominium Act:

17.1 Destruction.

In the event it is determined, in the manner elsewhere herein provided, that the Improvements shall not be reconstructed because of total destruction, major damage, or condemnation, the condominium plan of ownership will be thereby terminated without further agreement.

17.2 Agreement.

The Condominium may be terminated at any time by the approval in writing of all of the owners of the Condominium and by all Mortgagees. If the proposed termination is submitted to a meeting of the Unit Owners, the notice of which meeting gives notice of the proposed termination, and if there is not unanimous approval but there is the approval of not less than seventy-five percent (75%) of the Voting Interests and one hundred percent (100%) of Mortgagees are obtained not later than thirty (30) days from the date of such meeting, then the approving Owners shall have an option to buy all of the Units of the other Unit Owners for the period ending on the sixtieth (60th) day from the date of such meeting. Such option shall be upon the following terms:

(a) Exercise of Option.

The option shall be exercised by delivering or mailing by certified mail to each of the Unit Owners to be purchased an agreement to purchase signed by the Unit Owners who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating Unit Owner and shall agree to purchase all of the Units owned by Unit Owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser and may be conditioned upon acceptance by all non-participating Unit Owners.

(b) Price.

The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it 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; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(c) Payment.

The purchase price shall be paid in full in cash or may include assumption of any existing mortgage financing, if permitted, plus cash.

(d) Closing.

The sale shall be closed within thirty (30) days following the determination of the sale price.

**17.3 Certificate.**

The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of the County.

**17.4 Shares of Owners After Termination.**

After termination of the Condominium, the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective Mortgagees shall have mortgages upon the respective undivided shares of the Unit Owners. The value of the undivided shares after termination shall be as the Unit Owners determine or as may be determined by a Court.

**17.5 Amendment.**

This Article cannot be amended without consent of all Unit Owners and of all Mortgagees.

**18. CONDEMNATION.**

**18.1 General.**

Whenever all or any part of the Common Elements shall be taken by any authority having the power of condemnation or eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association if such award amounts to less than One Hundred Thousand Dollars (\$100,000.00) and to the Insurance Trustee if such award amounts to One Hundred Thousand Dollars (\$100,000.00) or more. Unless otherwise provided by law at the time of such taking, any award made therefor shall be disbursed by the Association or the Insurance Trustee, as the case may be, as hereinafter provided in Article 11.

**18.2 Units.**

If the taking includes one or more Units, or any part or parts thereof, whether or not there is included in the taking any part of the Common Elements, then the award shall be disbursed as provided by law. All related matters, including without limitation alteration of the percentages of undivided interest of the Owners in the Common Elements, shall be handled pursuant to and in accordance with the consent of Owners as required by this Declaration (or such lesser number of Owners as may then be prescribed by the Condominium Act for the purpose of altering the percentages of undivided interest of the Owners in the Common Elements) expressed in a duly recorded amendment to this Declaration. In the event that such an amendment shall not be recorded within 90 days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Article 11, whereupon the development may be terminated in the manner herein prescribed.

**19. RIGHTS OF MORTGAGEES.**

**19.1 Mortgagees' Right to Information.**

Any Mortgagee of a Condominium Parcel who makes a request in writing to the Association for the items provided in this section shall have the following rights:

(a) To be furnished with at least one (1) copy of the annual financial statement and report of the Association.

(b) To be given written notice by the Association of the call of a meeting to be held for the purpose of considering any proposed amendment to this Declaration of Condominium, or the Articles of Incorporation and Bylaws of Association, which notices shall state the nature of the amendment being proposed.

(c) To be given notice of default (if such default remains uncured for 30 or more days) by Unit Owner owning any Unit encumbered by a mortgage held by such Mortgagee, such notice to be given in writing and to be sent to the principal office of such Mortgagee or to the place which it or they may designate in writing to the Association.

(d) To be given an endorsement to the insurance policies covering the Common Elements requiring that such Mortgagee be given any notice of cancellation provided for in such policy.

(e) To examine the books and records of the Association upon reasonable notice during ordinary working hours.

(f) To obtain current copies of the Declaration, By-Laws and other rules concerning the project.

(g) To obtain written notice of any condemnation loss, eminent domain procedures or any casualty loss which affects a material portion of the Condominium or any Unit upon which such Mortgagee has a mortgage.

(h) To obtain notice of any lapse, cancellation or material modification of any fidelity bond maintained by the Association.

#### **19.2 Mortgagees' Rights to Consent.**

Except as shall be elsewhere provided herein, unless Mortgagees having loans secured by Units to which 75% of the Common Elements are appurtenant have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon owned directly or indirectly by the Association. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Condominium Property shall not be deemed a transfer within the meaning of this clause;

(b) change the method of determining the obligations, assessments, dues or other charges which may be assessed against any Units by the Association;

(c) by act or omission change, waive or abandon the regulations or enforcement thereof contained in this Declaration pertaining to the architectural design or the exterior appearance of Units.

#### **19.3 Mortgagees' Right to Reimbursement.**

In the event the Association fails to pay, when due, taxes assessed against the Common Elements or premiums of

insurance covering the improvements on the Common Elements, then any one or more of the Mortgagees may pay such taxes or insurance premiums, and the Association shall be obligated to reimburse such Mortgagee or Mortgagees for such payments, and until paid, the same shall constitute a lien upon the Common Elements in favor of the party or parties, entity or entities, paying same, which lien may be enforced in a court of competent jurisdiction of the State of Florida in the same manner as a judgment lien may be enforced.

#### 19.4 Registry of Owners and Mortgagees.

The Association shall endeavor at all times to maintain a register of the names of the Owners and Mortgagees of all Units. Upon the transfer of title to any Unit, the transferee shall notify the Association in writing of his interest in such Unit together with recording information identifying the instrument by which such transferee acquired his interest in the Unit. The Owner of each Unit encumbered by a mortgage shall notify the Association of the name and address of the Mortgagee, the amount of such mortgage, or mortgages, and the recording information identifying the same. A Mortgage may notify the Association of any such mortgage(s), and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

#### 20. SUBSEQUENT PHASES.

##### 20.1 Additional Land and Improvements.

Developer reserves the right, in its sole discretion, at any time from the date of recording of this Declaration in the public records of the County until five (5) years thereafter, to declare and submit additional lands and improvements located thereon to the condominium form of ownership under this Declaration by recording an amendment hereto in compliance with the Act. The additional land which may be submitted to the condominium form of ownership is described as Subsequent Phases and proposed development land on Exhibit A-1 attached hereto and made a part hereof. The Developer reserves the right to modify the legal descriptions of the phases in a non-adverse fashion to accommodate the Buildings as built; provided, however, when taken together, the legal descriptions of the phases shall equal the overall boundary set forth in Exhibit A-1.

The proposed buildings and unit types shown on Exhibit C represent the Developer's present plans in connection with the development of the Subsequent Phases. Provided, however, the Developer reserves the right to make such changes as hereinafter provided without further consent or approval of Unit Owners.

Each of the Subsequent Phases, if declared, will be submitted to condominium ownership as a part of the Condominium by recording in the public records of the County, an amendment to this Declaration in accordance with the Act and executed and acknowledged by the Developer and any Mortgagee holding a security interest in the land to be subjected as a Subsequent Phase, or the successors and assigns. Upon recordation of the amendment, the undivided shares of Common Elements, Common Expenses and Common Surplus shall be adjusted automatically in accordance with Exhibit B hereof.

In the event that the Developer determines not to add any or all of the Subsequent Phases, the Developer shall give notice to the owners of the existing Units of the decision not to add any or all Subsequent Phases. The notice shall be sent by certified mail addressed to each Unit Owner at the address of his Unit or his last known address. In the event that any Subsequent Phases are completed at or about the same time, Developer reserves

the right to amend the amendments to this Declaration to include both phases as a part of this Declaration. Developer hereby expressly reserves the right to grant an easement over the roadways contained within the Condominium Property which easements may be granted to the owners of the property described in Exhibit A-1 as Subsequent Phase Land. Provided, however, if Developer or its successors and assigns develop the land described on Exhibit A-1 and such development is not subject to this Declaration, prior to granting an easement for ingress and egress over the roadways within the Condominium Property, the Developer shall require that the beneficiaries of the easement contribute a pro rata share of the cost of the maintenance for the roadway easement, the payment for which shall be enforceable by a lien right.

## 20.2 Graphic Depiction of Improvements for Subsequent Phases.

The plot plan included in Exhibit C is as the improvements are presently proposed to be constructed. The Developer reserves the right to move the location of the buildings, within a phase or between phases, to add or delete buildings, to add or delete Units, to add new unit types and to delete existing Unit types or carports from Subsequent Phases. Provided, however, the total number of Units in the Condominium shall be no less than 22 units nor greater than 200 and the square footage contained within such Units shall be no less than 750 square feet nor greater than 2000 square feet. Each phase shall consist of a maximum of three (3) buildings and each building shall contain no less than six (6) Units or more than twelve (12) units. At the present time the number of buildings and the minimum and maximum number of units for each phase is anticipated to be as follows:

| <u>Phase</u> | <u>No. of Buildings</u> | <u>Minimum/Maximum No. of Units</u> |
|--------------|-------------------------|-------------------------------------|
| II           | 3                       | 20-24                               |
| III          | 3                       | 18-22                               |
| IV           | 3                       | 26-32                               |
| V            | 3                       | 28-36                               |
| VI           | 2                       | 13-17                               |
| VII          | 3                       | 18-22                               |
| VII          | 3                       | 18-22                               |

## 20.3 Changes in Ownership of Common Elements and Expenses.

Upon the addition of any Subsequent Phase, the share of ownership of Common Elements, Common Expenses and Common Surplus will decrease; however, all Units shall have an equal share of ownership. The share of ownership for each Unit will be a fraction, the numerator of which is "1" and the denominator of which is the number of Units subject to the Declaration.

## 20.4 Additional Facilities.

Upon the addition of any Subsequent Phase, the Residential Buildings, appurtenant landscaped areas, sidewalks and roadways will be constructed. The Developer has reserved the right to construct a 20 foot by 40 foot swimming pool with a deck and restroom facility in connection with the construction of Phase V of the Condominium and to construct "tot lots" in connection with Phases III, IV and VII of the Condominium.

## 20.5 Voting Rights.

In the event that any Subsequent Phase is submitted to this Declaration, each Unit Owner shall be entitled to membership in the Association. Each Unit shall be entitled to one Voting Interest to be cast in Association matters. The total number of Voting Interests shall equal the total number of Units.

## 20.6 Time Share Estates.

There will be no time share estates in Subsequent Phases.

## 20.7 Proviso.

Nothing contained herein shall be deemed to require the Developer to submit any or all the land contained in the Subsequent Phases or any portion thereof to condominium ownership under this Declaration nor to require that the Association be the entity responsible for its operation.

Nothing contained herein either in this Declaration or any term or provision hereof shall constitute a defect, encumbrance, or a lien upon the title of any portion of the property described in Exhibit A-1. This Declaration and the exhibits attached hereto are intended only to reserve certain rights to the Developer and its successors or assigns as the owner of such property.

## 21. LAKE AND WATER RIGHTS

### 21.1 Ownership of Lakes.

The Condominium is adjacent to a lake which serves as a stormwater retention facility for the Condominium as well as certain adjacent parcels of land. All rights and obligations in connection thereto are set forth in the Declaration of Drainage Easement recorded in Official Records Volume 6057, page 2012 and Supplemental Declaration of Drainage Easement and Lake Maintenance Agreement to be recorded in the public records of Duval County, Florida.

Pursuant to the terms of the foregoing the Unit Owners through the Association are obligated to pay a pro-rata share of the cost of maintenance of the lake.

## 22. MISCELLANEOUS.

### 22.1 Severability.

The invalidity in whole or in part of any covenant or restriction, or any Article, subarticle, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Articles of Incorporation, Bylaws and regulations of the Association shall not affect the validity of the remaining portions thereof.

### 22.2 Applicability of Declaration of Condominium.

All present or future owners, lessees, tenants, or any other person who might use the facilities of the Condominium Property in any manner, are subject to the provisions of this Declaration, and the mere acquisition or rental of any Unit, or mere act of occupancy of any Unit, shall signify that the provisions of this Declaration of Condominium are accepted and ratified in all respects.

### 22.3 Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership; the Florida Condominium Act, as amended, is hereby adopted and made a part hereof. In the event of any conflict between the provisions of this Declaration and the Condominium Act, the provisions of the Condominium Act shall prevail.

22.4 Parties Bound.

The restrictions and burdens imposed by this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in Common Elements and this Declaration shall be binding upon Developer, its successors and assigns, and upon all parties who may subsequently become owners of Units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

22.5 Attorneys Fees and Costs.

In the event that the Association or any person authorized by this Declaration brings an action to enforce the provision of this Declaration, the prevailing party shall be entitled to receive reasonable attorney's fees and costs.

IN WITNESS WHEREOF, Developer has caused the foregoing Declaration of Condominium to be executed, and its corporate seal to be affixed, by its undersigned, duly authorized officer on the date set forth above.

Signed, sealed and delivered  
in the presence of:

DEERFIELD LAKES ASSOCIATES,  
LTD., a Florida limited  
partnership  
By: Mayport Beach  
Development, Inc., its  
general partner

*Robert L. Davis*  
*Marie Sings*

By *Mayport Beach*  
Its *President*

(CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF DUVAL

15th day of June, 1987, by *THOMAS L. HANE*, the  
President of Mayport Beach Development, Inc., a Florida  
corporation, general partner of Deerfield Lakes Associates, Ltd.,  
a Florida limited partnership, on behalf of the partnership.

*Thomas L. Hane*  
Notary Public, State of Florida

My Commission Expires:                     

LCKDECCDDL

**RULES AND REGULATIONS  
OF  
DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC.**

Pursuant to the authority vested in the Board of Directors of Deerfield Lakes Condominium Association, Inc. (the "Association"), the following rules and regulations of Deerfield Lakes, a Condominium ("Condominium") have been adopted by the Board of Directors of the Association (the "Board") to govern the use of the Condominium Property ("Condominium Property") as defined in the Declaration of Condominium.

1. **ENFORCEMENT.** All violations of these rules and regulations shall be reported immediately to a member of the Board, an Association officer and/or the management agent. Disagreements concerning violations, including without limitation, disagreements regarding the proper interpretation and effect of these rules and/or the remedial action to be taken thereunder shall be determined by the Board whose determination shall be dispositive. In the event that any person, firm, or entity subject to these rules and regulations, fails to abide by them, as they are interpreted by the Board, such person, firm, or entity shall be liable to be fined by the Association for each such failure to comply or other violation of these rules and regulations.

In the event that the Board determines to assess a fine, which shall not exceed \$25.00 for each violation, or take action against a Unit Owner, such Unit Owner shall be given the opportunity for a hearing. Written notice of the hearing shall be given to the Unit Owner at least fourteen (14) days prior to the hearing which notice shall include a statement of the date, time and place of the hearing, of the provisions of the declaration, bylaws or rules which have allegedly been violated and a short and plain statement of the matters asserted by the Association. The Unit Owner shall have the opportunity to respond, to present evidence and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

2. **USE OF THE COMMON ELEMENTS.** The Common Elements of the Condominium are for the exclusive use of Unit Owners, and their immediate families, lessees, resident house guests and guests, and no other person shall be permitted to use the Common Elements of the Condominium.

3. **NOISE.** All noise, including without limitation, talking, singing, television, radio, record player, tape recorder or musical instrument, shall be kept at such volume level that the noise is not audible outside of the boundaries of the Unit in which it originates.

4. **CHILDREN.** Children shall not play on or about the Common Elements of the Condominium except under reasonable supervision by a responsible adult.

5. **OBSTRUCTIONS.** There shall be no obstruction or cluttering of the Condominium Property, including, without limitation, sidewalks, driveways, automobile parking spaces, lawns, entrances, stairways, decks, or vestibules, or other Common Elements or areas.

6. **DESTRUCTION OF PROPERTY.** There shall be no marking, marring, damaging, destroying, or defacing of any part of the Condominium Property. Unit Owners shall be held responsible for, and shall bear any expense of such damage caused by the Unit Owner, his family, guests, lessees and/or invitees.

7. BALCONIES, WINDOWS, TERRACES, AND DOORS. Nothing shall be dropped, thrown, swept, or otherwise expelled from any window, door, balcony, or terrace. No plants, pots, receptacles or other decorative articles shall be kept, placed, hung or maintained on any ledge, balcony or terrace. All loose or movable objects shall be removed from balconies or terraces upon notice of an approaching hurricane or other inclement weather characterized by conditions of high wind. Balconies, windows, terraces, and doors shall not be altered from the condition in which originally constructed, including without limitation alteration by painting, screening, or installation of reflective materials, unless pursuant to the Declaration of Condominium, Articles of Incorporation and Bylaws of the Association.

8. WINDOW COVERINGS. All window coverings shall have white or off-white liners so as to give uniform appearance to the facade of the Condominium Buildings. For purposes of assessing fines for violation of this rule, each day during which this rule is violated shall constitute a separate violation of the rules for which a fine may be levied.

9. DAMAGE TO COMMON ELEMENTS. Unit Owners shall be responsible for, and shall bear any expense of, any damage to the Common Elements caused by moving to or removing from their Unit household furnishings or other objects, or caused by any other deliveries to or from Units by their invitees.

10. REFUSE. All refuse, waste, bottles, cans, newspapers, magazines and garbage shall be deposited in the covered sanitary containers, as directed from time to time by the Association.

11. SIGNS. No sign, nameplate, signal, advertisement or illumination shall be inscribed or exposed on or at any window, door, balcony or terrace or Common Elements without the express prior written consent of the Board of Directors.

12. KEYS. The Association shall maintain a key to each Unit in the Condominium. No Unit Owner shall change existing locks or install additional locks unless duplicate keys therefor are provided to the Association.

13. PARKING.

- (a) No vehicular traffic shall exceed 10 mph within the Condominium.
- (b) All vehicles must meet local noise requirements. Automobiles and motorcycles without mufflers in good working order are prohibited.
- (c) No vehicle shall be parked so as to impede ingress to or egress from other parking spaces, drives, roads, or building entryways.
- (d) Parking of boats, trailers, campers, trucks or other oversized vehicles without the consent of the Board is prohibited.
- (e) Any vehicles parked illegally or in violation hereof may be removed by the Board at the expense of the offending party.

14. PETS. Although pets are permitted in the Units, it is suggested you think carefully about maintaining a dog or cat within a condominium project. Often, dogs and cats are

or entity shall be automatically terminated when such person or entity is divested of all title or his entire fee ownership in such Unit; provided, that nothing herein contained shall be construed as terminating the membership of any person or entity owning fee title to or a fee ownership interest in two or more Units at any time while such person or entity shall retain fee title to or a fee ownership interest in any unit.

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

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

E. The membership of the Association shall initially be comprised of the directors of the Association, each of whom shall be entitled to cast a Voting Interest on all matters upon which the membership would be entitled to vote.

#### V. EXISTENCE

The Association shall have perpetual existence.

#### VI. PRINCIPAL OFFICE

The principal office of the Association shall be located in Florida, but the Association may maintain an office and transact business in such places, within or without the State of Florida, as may from time to time be designated by the Board of Directors.

#### VII. MANAGEMENT

The affairs of the Association shall be managed by the President of the Association assisted by the Vice President, Secretary and/or Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers of the corporations in the State of Florida subject to the directions of the Board of Directors.

Officers of the Association may be compensated in the manner to be provided in the Bylaws. The Board of Directors or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Condominium and the affairs of the Association, any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a member of the Association or a Director or officer of the Association, as the case may be.

left unattended and become very unhappy. They also become noisy and a nuisance to neighbors. The basic rules and regulations which pertain to pets are set forth in the Declaration. Residents are permitted one dog and/or one cat, aquarium fish or small birds such as canaries and parakeets. No other animals of any kind shall be kept in a Unit or allowed upon the Common Property except by prior written consent of the Board which may be withheld for any reason. In addition, at such times as a permitted dog is outside the Unit, such dog shall be maintained on a leash and attended by the Owner at all times. No dog may be tied up or restrained outside a Unit without an Owner supervising such pet. All dogs must be walked on the designated Pet Walking Area and if walked in other areas, the Owner shall immediately remove the animal waste.

15. LEASING OF CONDOMINIUM UNITS. A Unit Owner who leases a Unit shall provide a copy of the lease, fully executed, to the Management Company or if there is no written lease shall provide the name, address, phone number of the tenant(s) to the Management Agent. The Unit Owner and/or tenant must take care in moving into and out of the Condominium. Any damage to the Common Elements caused by an Owner, his tenants, guests or invitees will be repaired by the Association at the Unit Owner's expense. All leases shall provide that the Association may, on behalf of the Unit Owner, and after written notice, evict any tenant who violates the Declaration or these Rules and Regulations. A Unit Owner who leases a Unit shall be responsible for advising his tenants of the Declaration and these Rules and Regulations and shall be responsible for any violations or damages caused by the Tenant.

16. SOLICITING. Soliciting is strictly forbidden. Please notify the Management Agent if a solicitor appears and appropriate action will be taken.

17. TRASH COLLECTION AND REMOVAL. All trash and garbage shall be placed in sanitary bags and placed in the dumpster. All Owners are responsible for maintaining the area around the dumpster container.

18. WATERBEDS. Occupants need to be aware that waterbeds can cause extensive damage if they leak or burst. It is suggested that Unit Owners carry homeowner's liability specifically covering such damage as the Unit Owner will be held liable therefor.

19. FREEZE DAMAGE. During periods of extreme cold it is each Unit Owner's responsibility to maintain a temperature within the Unit sufficient to prevent interior pipes from freezing. If an owner or occupant turns his thermostat to a low setting and leaves the Unit unattended during periods of extreme cold, there is a risk of pipes freezing and causing substantial damage to the Unit and possibly other Units. The Association is not responsible for this damage.

20. RULE CHANGES. The Board reserves the right to change or revoke existing rules and regulations and to make such additional rules and regulations from time to time as, in its opinion, shall be necessary or desirable for the safety and protection of the buildings and their occupants, to promote cleanliness and good order for the Condominium Property and to assure the comfort and convenience of Unit Owners.

21. COMPLIANCE WITH DOCUMENTS. All members, and every lessee, guest or visitor of a member, shall comply with all of the terms, conditions, covenants, restrictions and limitations contained in the Declaration of Condominium, the Articles of Incorporation and the Bylaws.

ARTICLES OF INCORPORATION

OF

DEERFIELD LAKES  
CONDOMINIUM ASSOCIATION, INC.

a Corporation Not For Profit

In order to form a corporation under the laws of the State of Florida for the formation of corporations not for profit, the undersigned hereby forms this corporation for the purposes and with the powers herein specified:

I. NAME

The name of the corporation shall be DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC. ("Association").

II. PURPOSE

The purposes and objects of the Association shall be to administer the operation and management of Deerfield Lakes, a Condominium ("Condominium") which may be established by recordation of the Declaration of Condominium, in accordance with the Florida Condominium Act, Chapter 718 Florida Statutes ("Act") upon that certain real property situated in Duval County, Florida ("County"). The Association shall perform the acts and duties incident to the operation and management of the Condominium in accordance with the provisions of these Articles of Incorporation, the Bylaws of the Association which will be adopted ("Bylaws") pursuant hereto and the Declaration of Condominium ("Declaration") which will be recorded in the public records of the County, as and when the property described in the Declaration, as such description may be amended from time to time, together with the improvements situated thereon, are submitted to the condominium form of ownership; and to own, operate, encumber, lease, manage, sell, convey, exchange and otherwise deal with the said lands submitted to the condominium form of ownership; the improvements thereon and such other property, real and/or personal, as may be or become part of the Condominium ("Condominium Property") to the extent necessary or convenient in the administration of the Condominium as provided for in the Declaration. The Association shall be conducted as a nonprofit organization for the benefit of its members.

III. POWERS

The Association shall have the following powers:

A. All of the powers and privileges granted to corporations not for profit under the law pursuant to which this corporation is chartered.

B. All of the powers reasonably necessary to implement and effectuate the purposes of the Association, including, without limitation, the power, authority and right to:

1. Make, establish and amend reasonable rules and regulations governing use of the Units, Common Elements, Limited Common Elements in and of the condominium, as such terms will be defined in the Declaration.

2. Levy and collect assessments against members of

the Association to defray the Common Expenses of the Condominium as will be provided in the Declaration and the Bylaws including the right to levy and collect assessments for the purpose of acquiring, owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing and otherwise dealing with the Condominium Property, including Units, which may be necessary or convenient in the operation and management of the Condominium in accomplishing the purposes set forth in the Declaration.

3. Maintain, repair, replace, operate and manage the Condominium Property, including the right to reconstruct improvements after casualty and to further improve and add to the Condominium Property.

4. Contract for the management of the Condominium and, in connection therewith, to delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Declaration and the Bylaws.

5. To employ personnel to perform the services required for proper operation of the Condominium.

6. Enforce the provisions of these Articles of Incorporation, the Declaration, the Bylaws, and all rules and regulations governing use of the Condominium which may hereafter be established.

7. To buy, own, operate, lease, sell, trade and mortgage both real and personal property.

8. To purchase insurance upon the Condominium Property and insurance for the protection of the Association, its officers, directors and members.

9. To approve or disapprove the leasing, transfer, ownership and possession of Units as may be provided in the Declaration.

10. Exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association in the Declaration and the Act.

11. To grant permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

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

#### IV. MEMBERS

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

A. The owners of all Units in the Condominium shall be members of the Association, and no other persons or entities shall be entitled to membership, except as provided for in Paragraph E, Article IV, hereof.

B. Membership shall be established by the acquisition of a fee title to a Unit in the Condominium, or by acquisition of a fee ownership interest therein, by voluntary conveyance or operation of law, and the membership of any person

## VIII. BOARD OF DIRECTORS

The number of members of the first Board of Directors shall be three (3). The number of members of succeeding Board of Directors shall be as provided in the Bylaws. When Unit owners other than DEERFIELD LAKES ASSOCIATES, LTD. ("Developer") own fifteen percent (15%) or more of the Units that ultimately will be operated by the Association, the members other than the Developer shall be entitled to elect, in a manner to be provided in the Bylaws, not less than one-third (1/3) of the members of the Board of Directors of the Association. Members other than the Developer shall be entitled to elect, in a manner to be provided in the Bylaws, not less than a majority of the members of the Board of Directors: (a) three (3) years after fifty percent (50%), but less than ninety percent (90%), of the Units that will be operated ultimately by the Association have been conveyed to Purchasers; or (b) three (3) months after ninety percent (90%) of the Units that ultimately will be operated by the Association have been conveyed to purchasers; or (c) when all of the Units that ultimately will be operated by the Association have been completed, and some of the Units have been conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business; or (d) when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or (e) 120 days after the date by which 75 percent of the units have been conveyed to members, other than the Developer; or (f) five (5) years after recording the Declaration of Condominium. The Developer shall be entitled to elect not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Condominium. Notwithstanding the foregoing, Developer may waive his rights hereunder and thereafter vote in elections for members of the Board of Directors in the same manner as any other member of the Association. After members other than the Developer elect a majority of the members of the Board of Directors, the Developer shall, within a reasonable time and in a manner to be provided in the Bylaws, relinquish control of the Association and shall deliver to the Association all property of the members and the Association held or controlled by the Developer.

## IX. OFFICERS

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

## X. FIRST BOARD OF DIRECTORS

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

of Florida, these Articles of Incorporation and Bylaws, shall hold office for the first year of the Association's corporate existence, and thereafter until their successors are selected and have qualified, are as follows:

William G. Swan, Jr.  
Maurice F. Shave  
Luanne Shave Swan

#### XI. SUBSCRIBER

The name of the Subscriber, and his/her address is:

Linda Connor Kane  
2000 Independent Square  
Jacksonville, Florida 32202

#### XII. FIRST OFFICERS

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

|                      |                      |
|----------------------|----------------------|
| President:           | William G. Swan, Jr. |
| Vice President:      | Maurice F. Shave     |
| Secretary/Treasurer: | Luanne Shave Swan    |

#### XIII. BYLAWS

The original Bylaws of the Association shall be adopted by a majority vote of the Directors to these Articles of Incorporation at a meeting at which a majority of the Directors are present, and, thereafter, the Bylaws may be altered or rescinded only by affirmative vote of fifty-one percent (51%) of the Voting Interests entitled to be cast by members of the Association.

#### XIV. INDEMNIFICATION

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

## XV. AMENDMENTS

An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors or by the members of the Association owning ten percent (10%) of the Voting Interest, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association or the acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner than thirty (30) days or later than sixty (60) days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written notice of such meeting stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than ten (10) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting or by written approval the amendment or amendments proposed must be approved by an affirmative vote of the members owning not less than two thirds (2/3) of the Voting Interests in the Condominium in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each such amendment of these Articles of Incorporation shall be recorded in the public records of the County within thirty (30) days from the date on which the same is filed in the office of the Secretary of State. Notwithstanding the foregoing provisions of this Article XV, no amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Developer to designate and select members of the Board of Directors of the Association, as provided in Article VIII hereof, may be adopted or become effective without the prior written consent of Developer.

## XVI. FIDELITY BONDING

In addition to the indemnification provisions hereof, the Association shall obtain and maintain blanket fidelity bonds on each director, officer and employee of the Association and of any management firm. The total amount of fidelity bond coverage shall be based upon the best business judgment of the Board of Directors and shall not be less than the estimated maximum funds including reserve funds, in the custody of the Association or management firm, as the case may be, at any given time during the term of each bond.

The fidelity bond shall name the Association as an obligee and shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or

similar terms or expressions. The premiums on all bonds shall be paid by the Association as a common expense (except for the premiums on fidelity bonds maintained by the management firm, if any). The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days prior written notice to the Association.

XVII. FHA/VA APPROVAL

As long as the Developer has control of the Condominium Association, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, the Subscriber hereto has hereunto set her hand and seal this 15<sup>th</sup> day of January, 1987.

/s/ Linda Connor Kane  
Linda Connor Kane

STATE OF FLORIDA

COUNTY OF DUVAL

I HEREBY CERTIFY that on this 15<sup>th</sup> day of January, 1987, before me, the undersigned authority, personally appeared Linda Connor Kane to me known to be the person who executed the foregoing Articles of Incorporation, and acknowledged the execution of such instrument for the uses and purposes therein expressed.

/s/ Jean M. Rhoden  
NOTARY PUBLIC, State of  
Florida at Large

My commission expires: 2/8/88

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

---

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

DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC.  
DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE OF  
FLORIDA WITH ITS PRINCIPAL PLACE OF BUSINESS AT CITY OF  
JACKSONVILLE, COUNTY OF DUVAL, FLORIDA, HAS NAMED MAURICE F.  
SHAVE, LOCATED AT 720 ASSISI LANE, ATLANTIC BEACH, FLORIDA AS  
ITS AGENT TO ACCEPT SERVICE OF PROCESS WITHIN FLORIDA.

DEERFIELD LAKES ASSOCIATES, LTD.  
a Florida limited partnership

BY: Mayport Beach Development, Inc.  
Its General Partners

BY: /s/ Maurice F. Shave  
Its Secretary

Date: January 15<sup>th</sup>, 1987

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

/s/ Maurice F. Shave

Dated: January 15<sup>th</sup> 1987

BYLAWS  
OF  
DEERFIELD LAKES  
CONDOMINIUM ASSOCIATION, INC.

a Florida Corporation Not for Profit

I. IDENTITY.

A. Applicability. These are the Bylaws of DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC. (the "Association"), a Florida corporation not for profit organized pursuant to the provisions of Chapters 617 and 718, Florida Statutes, 1985, as amended to the date of filing of the Articles of Incorporation. The purpose and object of the Association shall be to administer the operation and management of Deerfield Lakes, a Condominium, which shall be established in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes, 1985 ("Act"), upon certain real property in Duval County, Florida ("County").

B. Office. The office of the Association shall be at 791 Assisi Lane, Atlantic Beach, FL 32233, or at such other place as may be established by resolution of the Board of Directors.

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

D. Seal. The seal of the Association shall bear the name of Deerfield Lakes Condominium Association, Inc., the word "Florida", the words "Corporation Not For Profit", and the year of incorporation. An impression of the seal is as follows:

II. MEMBERSHIP, VOTING, QUORUM, PROXIES.

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

B. Quorum. A quorum at meetings of Members shall consist of persons entitled to cast a majority of the Voting Interests whether in person or by proxy. ~~(75% + 1/2 quorum)~~

C. Voting. The Voting Interest of the owner(s) of a Unit in the Condominium owned by more than one natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit in a Voting Certificate as the holder of the Voting Interest. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person, a partnership, or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by Voting Certificate acceptable to the Association, designate one natural person as the holder of the Voting Interest. The Voting Certificate shall be filed with the Association, and the person so designated shall be and remain the holder of the Voting Interest of the Unit until such designation has been

revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The holder of the Voting Interest of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the Voting Interest of the Unit at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

D. Approval. Evidence of the approval or disapproval of the holder of the Voting Interest upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the Voting Interest if in an Association meeting.

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

F. Proxies. At any meeting of the Members every holder of a Voting Interest having the right to vote shall be entitled to vote in person or by proxy, provided that, no person shall be designated to hold more than ten (10) proxies. Any proxy given shall contain the date, time and place of the meeting for which the proxy is given and if a limited proxy shall set forth those items for which the holder of the proxy may vote and the manner in which the vote is to be cast and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. The proxy shall set forth the name of the person voting by proxy and the name of the person authorized to vote the proxy for him. All such proxies shall be filed with the Secretary prior to or during the roll call of such meeting. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the holder of the Voting Interest executing it.

G. Consent to Action. To the extent permitted by law, any action on any matter to be taken by the Association may be taken by written consent without meetings, setting forth the action so taken, approved by Members holding not less than the minimum number of Voting Interests necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voting.

### III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

A. Annual Meeting. The annual meeting of the Members shall be held at the office of the Association or such other place in Florida and at such time as may be specified in the notice of the meeting, on the first Tuesday of November of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, or if the Board shall determine in its best judgment that another day would be more convenient, the meeting shall be held on the same day at the same hour in the next succeeding week or at such other time as the Board may deem convenient.

B. Special Meetings. Special meetings of the entire membership of the Association shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors and must be called by such officers upon

receipt of a written request from Members entitled to cast ten (10%) percent of the Voting Interests.

C. Notice of Meetings.

1. Generally. Written notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member unless waived in writing. Each notice shall state the time and place of and purpose for which the meeting is called and shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) days prior to the meeting.

2. Annual. Notice of the Annual Meeting shall be given to each Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed to each Member unless the right is waived in writing. Such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. An officer of the Association shall provide an affidavit to be included in the Official Records of the Association affirming that the notices of the Association meeting were mailed or hand delivered in accordance with the requirements of this section. If a Member waives, in writing, the right to receive notice of the Annual Meeting by mail, such notice may be delivered personally to such Member. If delivered personally, receipt of notice shall be signed by the Member, indicating the date received. Each notice shall, in addition, be posted at a conspicuous place in the Condominium at least fourteen (14) days prior to the meeting.

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

4. Waiver. Any Member may waive notice of any meeting if allowed by the applicable Bylaws or Declaration.

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

D. Presiding Officer and Minutes. At meetings of Members, the President, or in his absence, the Vice President, shall preside, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a businesslike manner and available for inspection by Directors, Members and their authorized representatives.

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

- (1) Calling of the roll and certifying of proxies
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading or waiver of reading of minutes of previous meeting of Members

- (4) Reports of officers
- (5) Reports of committees
- (6) Appointment by Chairman of inspectors of election
- (7) Election of Directors
- (8) Unfinished business
- (9) New business
- (10) Adjournment

#### IV. BOARD OF DIRECTORS

A. Members of Board. The first Board of Directors shall consist of not less than three (3) persons as designated in the Articles of Incorporation. The number of Directors may be increased by a vote of the Members in the same manner as any other amendment to these Bylaws. Pursuant to the Declaration of Condominium, Deerfield Lakes Associates, Ltd. ("Developer") reserves the right to appoint Directors to the Board as set forth herein.

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

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

(2) For so long as the Developer shall retain the right to appoint at least one member of the Board of Directors, all members of the Board of Directors whom Developer shall not be entitled to appoint under these Bylaws shall be elected at large, by a plurality of the Voting Interests cast at the annual meeting of the general membership, immediately following designation of the members of the Board whom Developer shall be entitled to appoint. Commencing with the first annual election of Directors after the Developer shall have lost or relinquished the right to appoint at least one Director, the Members shall elect all the Directors, by a plurality of the Voting Interests cast at the annual meeting of the general membership.

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

(4) Until such time as the Members are entitled to elect all of the Directors, each Director shall serve for one year until the next annual meeting or such other time as

his successor is elected. At the first annual meeting at which the Members are entitled to elect all of the members of the Board of Directors, the person receiving the most voting interests shall be designated as a two-year term director and the others shall be for one year. The intent hereof is to stagger the terms of the directorships so that there shall be some Members of the Board with prior experience.

(5) In the election of Directors, there shall be appurtenant to each Unit one (1) Voting Interest for each Director to be elected. Provided, however, that no Member may cast more than one Voting Interest for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.

(6) Within sixty (60) days after Members other than the Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall, in accordance with the provisions of these Bylaws, call in a manner as elsewhere provided in these Bylaws, and give not less than fourteen (14) days nor more than forty (40) days notice of a meeting of the Members for this purpose. Such meeting may be called and the notice given by any Member if the Association fails to do so within the time prescribed herein. Election of such Directors shall be conducted in the manner provided in these Bylaws.

(7) In the event that Developer selects any person or persons to serve on the Board, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. Organizational Board Meeting. The organizational meeting of a newly elected or designated Board shall be held within fifteen (15) days of their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary; provided, that a quorum shall be present.

D. Regular Board Meeting. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

E. Special Meeting. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than three (3) days' notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting, unless notice is waived. Notice of any meeting where assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

F. Board Minutes. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for

inspection by Members and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven years.

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

H. Quorum. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute of quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

A Director who is present at a meeting of the Board at which action or any corporate matter is taken, shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

I. Notice to Members. Meetings of the Board of Directors shall be open to all Members and notices of meetings shall be posted conspicuously in the Condominium forty-eight (48) hours in advance for the attention of Members, except in an emergency. Notice of any meeting where assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

J. Action without a Meeting. To the extent now or from time to time hereafter permitted by the laws of Florida, the Board may take any action which they might take at a meeting of the Board without a meeting; provided, that a record of all such actions so taken, signed by each Director, shall be filed and retained in the minute book of the Association.

K. Removal and Recall. Directors may be removed from office in the manner provided by law for the removal of Directors of Florida corporation not for profit. In addition, a Director may be recalled in accordance with the provisions of the Condominium Act.

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

M. Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of Florida, the Articles, these Bylaws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Declaration, and shall include, without limitation, the right, power and authority to:

(1) Make, levy and collect assessments, including without limitation assessments for reserves and for betterments to Condominium and/or Association property, against Members and Members' Units to defray the costs of the Condominium, and the property owned by the Association and use the proceeds of assessments in the exercise of the powers and duties of the Association;

(2) Maintain, repair, replace, operate and manage the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of Members;

(3) Repair and reconstruct improvements after casualty;

(4) Make and amend regulations governing the use of the property, real and personal, in the Condominium provided, that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration;

(5) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, grant easements over and otherwise trade and deal with property, real and personal, including Units, of and in the Condominium, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration and Articles;

(6) Contract for the management and maintenance of the Condominium Property and authorize a management agent to assist the Association in carrying out its powers and duties, including but not limited to the performance of 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 and powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, and the promulgation of rules.

(7) Enforce by legal means the provisions of the Articles, these Bylaws, the Declaration and all regulations governing use of property of and in the Condominium now existing or hereafter adopted.

(8) Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and assess the same against the Members and their respective Units subject to such liens.

(9) Carry insurance for the protection of Members and the Association against casualty and liability, including Directors' liability insurance.

(10) Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the Members individually.

(11) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

(12) Obtain such fidelity or other bonds as the Directors may deem necessary and convenient in the handling of daily affairs of the Association.

## V. OFFICERS.

A. Generally. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board.

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

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

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

E. Treasurer. The Treasurer shall have custody of all of the property of the Association including funds, securities and evidence of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association, in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

F. Compensation. No compensation shall be paid to any officer of the Association except with the approval of a majority of the Voting Interests. No officer who is appointed by the Developer shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer of the Association may be stockholder, officer, director or employee, for the management of the Condominium for such compensation as shall be mutually

agreed between the Board and such officer, director or corporation, or from contracting with a director or officer of the corporation may be a stockholder, officer, director or employee for the purpose of making available to the owners of condominium units such services as are contemplated by the provisions of Article IV of these Bylaws. It is expressly contemplated that the first Board of Directors may enter into such contracts with persons who are initial officers or directors of the Association, or with corporations having officers, directors or employees who are also members of the first Board of Directors of the Association.

## VI. FISCAL MANAGEMENT.

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

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

B. Annual Budget. The Board shall adopt, for, and in advance of, each fiscal year, a budget for the Condominium showing the estimated costs of performing all of the functions of the Association as to such Condominium for the year. The budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and any reserve accounts and/or funds which may be established from time to time by the Board. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the Members and due date(s) and amounts of installments thereof. Copies of the proposed budgets and proposed assessments shall be transmitted to each member at least fourteen (14) days prior to the meeting of the Board of Directors at which the budgets will be considered, together with a notice of the time, place and agenda of the meeting, which shall be open to Members. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

C. Increased Budget. If a budget is adopted by the Board which requires assessment of the Members in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Voting Interests, a special meeting of the Members shall be held upon not less than ten (10) days written notice to each Member, but within thirty (30) days of the delivery of such application to the Board or any member thereof. At the special meeting, Members may consider and enact only a revision of the

budget, or recall any and all members of the Board and elect their successors subject, however, to the right of Developer to elect Directors as provided in Article IV. Any such revision of the budget or recall of any and all members of the Board shall require a vote of not less than fifty-one percent (51%) of all the Voting Interests. The Board may in any event first propose a budget to the Members at any such meeting of Members or by writing, and if such budget or proposed budget be approved by a majority of all the Voting Interests, either at such meeting or by writing, such budget shall not thereafter be reexamined by the Members in the manner hereinabove set forth nor shall any and all members of the Board be recalled under the terms hereof. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board shall go into effect as scheduled.

D. Capital Expenditures. In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded from the computation any amounts for reasonable reserves made by the Board in respect of repair and replacement of Condominium or Association property, or in respect of anticipated expenses by 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 betterments to the Condominium or Association property. Provided, however, that so long as Developer is in control of the Board of Directors the Board shall not impose an assessment for a budget year greater than 115% of the prior budget year's assessment without approval of a majority of all the Voting Interests.

E. Notice of Adopted Budgets. Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to all Members. Assessments shall be made against Members pursuant to procedures established by the Board, and in accordance with the terms of the Declaration and Articles. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

F. Assessments. Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each month, but in no event shall amounts be payable less often than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

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

H. The Depository. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association.

I. Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors.

J. Fidelity Bonds. Fidelity bonds shall be required for the Board and any persons handling or responsible for Association funds as the Board of Directors shall direct in an amount to be determined by the Board based upon its best business judgment. The premiums of said bonds shall be paid by the Association.

#### VII. PARLIAMENTARY RULES.

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

#### VIII. ARBITRATION.

In the event that disputes or disagreements arise among Members, this Association or their agents and assigns in connection with the operation of the Condominium, the parties may submit such disputes or disagreements to voluntary binding arbitration. The Division of Florida Land Sales and Condominium of the Department of Business Regulation shall employ full-time arbitrators to conduct the binding arbitration hearings. The arbitration shall be conducted in accordance with the rules of procedure promulgated by the Division. The decision of such arbitrator shall be final. However, such decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose the parties from proceeding in a trial de novo, and if such judicial proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence. Any party may seek enforcement of the final decision of the arbitrator in a court of competent jurisdiction.

#### IX. ASSOCIATION RECORDS.

From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association, which records shall be maintained in the County and shall be open to inspection by any Member or the authorized representative of such Member at all reasonable times who shall have the right to make such copies as may be requested at the member's cost;

(1) The plans, permits, warranties, and other items provided by the Developer;

(2) A photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments thereto;

(3) A photocopy of the recorded bylaws of the association and all amendments thereto;

(4) A certified copy of the articles of incorporation of the Association or other documents creating the Association and all amendments thereto;

(5) A copy of the current rules of the Association;

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

(7) A current roster of all Members, their mailing addresses, Unit identifications, voting certifications, and if known, telephone numbers;

(8) All current insurance policies of the Association and condominiums operated by the Association;

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

(10) Bills of sale or transfer for all property owned by the Association;

(11) Accounting records for the Association and separate accounting records for each condominium it operates, according to good accounting practices. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but are not limited to:

a. Accurate, itemized, and detailed records of all receipts and expenditures.

b. A current account and monthly, bimonthly, or quarterly statements of the account for each Unit designating the name of the Member, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

c. All audits, reviews, accounting statements, and financial reports of the Association or Condominium.

d. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of 1 year;

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

#### X. AMENDMENTS TO BYLAWS.

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

A. Proposal. Amendments to these Bylaws may be proposed by the Board, acting upon vote of a majority of the Directors, or by Members holding one tenth of the Voting Interests, whether meeting as Members or by instrument in writing signed by them; provided, however, as long as the Developer has control of the Condominium Association, the Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments.

B. Notice. Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than fourteen (14) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members if proper notice is given.

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

D. Voting. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of not less than fifty-one percent (51%) of the Voting Interests. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the public records of the County as an amendment to the Declaration of Condominium within thirty (30) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

E. Written Vote. At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

F. Developer's Reservation. Notwithstanding the foregoing provisions of this Article X, no amendment to these Bylaws which shall abridge, amend or alter the right of Developer to designate members of each Board of Directors of the Association, as provided in Article IV hereof or any other right of the Developer provided herein or in the Articles of Incorporation and Declaration, may be adopted to become effective without the prior written consent of Developer.

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

H. Proviso. Anything herein to the contrary notwithstanding, until the first regular election of Directors by the membership, and so long as the Developer shall have the right to fill vacancies on the Board of Directors, an amendment shall require only the unanimous consent of the Board of

Directors, and no meeting of the condominium unit owners nor any approval thereof need be had.

XI. VA/FHA APPROVAL.

In the event that the VA or FHA approves this Condominium and guarantees a mortgage on a Unit in the Condominium, then for so long as the Developer is in control of the Association any amendment to the Bylaws must be approved by the Veterans Administration or the Federal Housing Administration.

The foregoing were adopted as the Bylaws of DEERFIELD LAKES CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 17 day of January, 1987.

Dated: January 17, 1987

/s/ Maurice F. Shave  
Secretary

APPROVED:

/s/ Maurice F. Shave  
President

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