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**CERTIFICATE OF AMENDMENT TO THE DECLARATION OF CONDOMINIUM
OF KING'S CROWN CONDOMINIUM, A CONDOMINIUM, AND TO THE BYLAWS OF
KING'S CROWN CONDOMINIUM ASSOCIATION, INC.**

THE UNDERSIGNED, being the duly elected President and Secretary respectively of King's Crown Condominium Association, Inc., a Florida corporation not for profit, do hereby certify that at the annual meeting of the members held on February 2, 1992, pursuant to written notice at which a quorum was present, the following resolutions were approved and adopted by not less than seventy-five percent (75%) of members for the purpose of amending and restating the Declaration of Condominium of King's Crown Condominium, a condominium, recorded in Official Records Book 1025, Pages 1772 through 1815, inclusive, Public Records of Lee County, Florida, and the Bylaws of King's Crown Condominium Association, Inc., all as subsequently amended:

RECORD VERIFIED - CHARLIE GREEN, CLERK
BY T.R. BATTLE, D.C.

RESOLVED, the Declaration of Condominium of King's Crown Condominium, a condominium, is hereby amended and restated and adopted in the form attached hereto and made a part hereof; and

RESOLVED, that the Bylaws of King's Crown Condominium Association, Inc., be and are hereby amended and restated and adopted in the form attached hereto and are made a part hereof; and it is further

RESOLVED, that the officers and directors are hereby instructed and authorized to execute the aforementioned documents and cause them to be filed of public record, together with a Certificate of Amendment as required by law.

DATED this 3 day of February, 1992.

KING'S CROWN CONDOMINIUM
ASSOCIATION, INC.

By: John T. Seaman, Jr.
John T. Seaman, Jr., President

ATTEST:
Paul F. Farquhar
Paul F. Farquhar, Secretary

STATE OF FLORIDA

COUNTY OF LEE

The foregoing instrument was acknowledged before me this 3rd day of February, 1992, by John T. Seaman, Jr., and Paul F. Farquhar, as president and secretary, respective, of King's Crown Condominium Association, Inc., a Florida corporation not for profit, on behalf of the corporation. They are personally known to me or they have produced Drivers License

_____ as identification and did not take an oath.

NOTARY PUBLIC:

sign

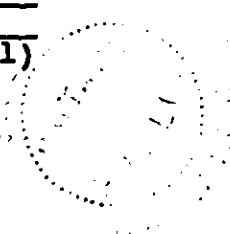
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Carol A. Steed
Carol A. Steed

State of Florida at Large (Seal)
My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: JULY 18, 1992.
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Commission # AA590910



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**Declaration of Condominium
King's Crown Condominium**

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EXHIBITS TO THE DECLARATION OF CONDOMINIUM

Exhibit A - Plat (Not changed)

Exhibit B - Articles of Incorporation (Not changed)

Exhibit C - Bylaws (Amended and Restated)

**AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
OF
KING'S CROWN CONDOMINIUM**

(NOTE: Substantial amendment of entire Declaration.
See original Declaration for prior text.)

AMENDED AND RESTATED DECLARATION made this 3 day of FEBRUARY, 1992, pursuant to Chapter 718, Florida Statutes, by KING'S CROWN CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereafter referred to as "Association".

1. Introduction and Submission

1.1 The Land. That certain parcel of land located at 2721 Gulf Drive, Sanibel, 33957, Lee County, Florida, hereafter referred to as "the land", more particularly described as follows:

Beginning at a point 15 feet East of the Northwest corner of Government Lot 4 in Section 35, Township 46 South, Range 22 East, thence South parallel to the west line of said Government Lot 4, 1334 feet, thence Easterly at an inclusive angle $98^{\circ}30'$ a distance of 500 feet to the Point of Beginning of the lands herein described; thence continue on the same course 300 feet; thence South to the Gulf of Mexico; thence Westerly along said Gulf to a point South of the Point of Beginning; thence North to the Point of Beginning. The foregoing described property being Lots 6, 7 and 8 of the unrecorded plat of SEDGEMOOR SUBDIVISION.

1.2 Submission Statement. Developer, LATHAM CORPORATION, a Florida corporation, submitted the lands described above and improvements on such lands, to the condominium form of ownership and use by the execution and recording of that certain Declaration of Condominium of King's Crown, a condominium, dated the sixth day of December, A.D. 1973, recorded March 15, 1974, in Official Records Book 1025, pages 1772 through 1815, inclusive, public records of Lee County, Florida. No additional property is being submitted to condominium ownership by this Declaration.

1.3 Name. The name by which the land shall hereafter be known is KING'S CROWN CONDOMINIUM, hereafter referred to as the "Condominium".

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

2.0 "Apartment" means the same as "unit". See Section 2.15 herein.

2.1 "Assessment" means a share of the funds which are required for the payment of common expenses, which from time to time is assessed against the Unit Owner.

2.2 "Association" means KING'S CROWN CONDOMINIUM ASSOCIATION, INC., a Florida Corporation not for profit, the entity responsible for the operation of KING'S CROWN CONDOMINIUM.

2.3 "Board of Administration" means the board of directors which is responsible for administration of the Association.

2.4 "By-Laws" means the By-Laws of the Association as they exist from time to time.

2.5 "Common Elements" means the portions of the condominium which are not included in the units.

2.6 "Common Expenses" means all expenses and assessments which are properly incurred by the Association for the condominium.

2.7 "Common Surplus" means the excess of all receipts of the association.

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

2.9 "Condominium Documents" means the Declaration of Condominium, the Articles of Incorporation for KINGS CROWN CONDOMINIUM ASSOCIATION, INC. and the By-laws for the Association, all as subsequently amended or amended and restated.

2.10 "Condominium Property" means the lands, leaseholds 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 "Declaration" or "Declaration of Condominium" means this instrument, as it may be amended from time to time.

2.12 "Institutional First Mortgagee" means a bank, savings and loan association, insurance company, real estate or mortgage investment trust, an agency of the United States

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Government, FNMA, FHLMC, mortgage banker, or any other lender generally recognized as an institutional type lender holding a first mortgage on any unit.

2.13 "Limited Common Elements" mean those Common Elements the use of which is reserved to a certain unit or units to the exclusion of other units, as specified in this Declaration. Reference herein to Common Elements shall also include all Limited Common Elements unless the context would prohibit such inclusion or unless expressly provided otherwise.

2.14 "Primary Institutional First Mortgagee" means the Institutional First Mortgagee which owns at any time unit mortgages securing a greater aggregate indebtedness than is owed to any other Institutional First Mortgagee.

2.15 "Unit" means a part of the condominium property.

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

2.17 "Voting Certificate" means a document which designates one of the record title Owners, or the corporate, partnership, or entity representative who is authorized to vote on behalf of a condominium unit owned by more than one owner or by an entity.

3. Description of Condominium.

The condominium consists of 54 two and three bedroom units, in 18 three-storied, raised buildings with parking and storage facilities located under the buildings. Each building contains three units - one on each floor. Buildings are clustered together with two or more buildings under a common roof. Some clusters are joined together by stairways or covered walkways at all levels. The general appearance is of only two buildings. The recreational facilities consist of a swimming pool, a bathhouse with separate male and female facilities, and a tennis court.

3.1 Unit Identification.

Each unit is assigned a separate 3-digit apartment number. The first digit indicates the floor level and the remaining digits the particular unit on that level. These are:

Apartments	101 thru 118 = 18 units
	201 thru 218 = 18 units
	301 thru 318 = <u>18 units</u>
TOTAL	54 units

There shall pass with each unit as appurtenances thereto:

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(a) an 1/54th undivided share in the Common Elements and Common Surplus;

(b) the exclusive right to use the portion of the Common Elements described in this declaration as Limited Common Elements appurtenant to such unit;

(c) an exclusive easement for the use of the airspace occupied by the unit as it exists at any particular time and as the unit may lawfully be altered or reconstructed from time to time, provided that an easement in airspace which is vacated shall be terminated automatically; and

(d) such other appurtenances as may be provided in this Declaration.

3.2 Unit Boundaries. Each unit shall include that part of the building in which such unit is located that lies within the boundaries of that unit; each unit consists of the area enclosed by the following boundaries:

(a) Upper and Lower Boundaries. The upper and lower boundaries of the unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries.

(i) Upper Boundary: The horizontal plane of the lowest unfinished inner surfaces of the concrete ceiling.

(ii) Lower Boundary: The horizontal plane passing through the uppermost surface of the unfinished floor.

(b) Perimetrical Boundaries: The perimetrical boundaries are the vertical planes of the unfinished inner surfaces of the outer walls to include the porch and the interior surfaces of the unit doors and windows, extended to intersections with each other and with the upper and lower boundaries. The perimetrical boundaries are shown by heavy lines on the floor plan.

(c) Boundaries Further Defined: The unit Owner shall own the non-party walls and partitions contained within his unit and the inner finished surfaces of the perimeter walls, floors and ceilings including plaster, paint, wallpaper, carpet and tile.

3.3 Common Elements. The common elements include:

(a) The condominium property which is not included within the unit.

(b) Easements through units for conduits, ducts, plumbing, wiring, and the facilities for the furnishing of utility services to units and the common elements.

(c) An easement of support in every portion of a unit which contributes to the support of a building.

(d) The property and installations required for the furnishing of utilities and other services to more than one unit or to the common elements.

(e) The swimming pool, bathhouse and tennis courts.

3.4 Limited Common Elements. Each unit shall have, as a limited Common Element appurtenant thereto:

(a) The parking space assigned to such unit but only if the Association elects to make such assignment. Should the Association elect to assign parking spaces, the Association shall have the right to reassign parking spaces from time to time.

(b) The storage room assigned to each unit.

(c) Any area or portion of the common facilities reasonably designated as such by the Board of Administration.

3.5 Easements and Licenses. The following easements and licenses are hereby created in addition to any easements created under the Condominium Act:

(a) Air Space. Each unit shall have an exclusive easement for the use of the airspace occupied by the unit as it exists at any particular time and as the unit may lawfully be altered or reconstructed from time to time. An easement in airspace which is vacated shall be terminated automatically.

(b) Support. Each unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other units and the Common Elements.

(c) Utility and Other Services; Drainage. Easements are reserved under, through, and over the Condominium Property as may be required from time to time for utility, cable television, other similar services, and drainage in order to serve the Condominium. A unit Owner shall do nothing within or outside his unit that interferes with or impairs, or may interfere with or impair, the provision of such utility, other services, drainage facilities, or the use of these easements. The Board of Administration of the Association or its designee shall have a right of access to each unit: (a) to inspect same; (b) to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits, utility and service equipment, drainage facilities, and Common Elements contained within a unit or elsewhere on the Condominium Property; and (c) to remove any Improvements interfering with or impairing such facilities or easements herein reserved. Such right of access, except in the

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event of an emergency, shall not unreasonably interfere with the unit Owner's permitted use of the unit, and except in the event of an emergency, entry shall be made on not less than one (1) day's notice. Drainage systems on the Condominium Property, if any, shall be maintained continuously in good condition by the Condominium Association; and easements are granted hereby over all units in favor of all Owners and the Association with respect thereto.

(d) Encroachments. If (a) any portion of the Common Elements encroaches upon any unit; (b) any unit encroaches upon any other unit or upon any portion of the Common Elements; or (c) any encroachment shall hereafter occur as a result of (i) construction of Improvements, (ii) settling or shifting of the Improvements, (iii) any alteration or repair to the Common Elements made by or with the consent of the Association, or (iv) any repair or restoration of the Improvements (or any portion thereof) or any unit after taking by condemnation or eminent domain proceeding of all or any portion of any unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Improvements shall stand.

(e) Ingress and Egress. A non-exclusive easement in favor of each unit Owner and resident, their guests and invitees, shall exist for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use and for vehicular and pedestrian traffic over, through, and across such portions of the Common Elements as from time to time may be paved and intended for such purposes. None of the easements specified in this subparagraph (e) shall be encumbered by any leasehold or lien other than those on the Condominium Parcels. Any such lien encumbering such easements (other than those on Condominium Parcels) shall automatically be subordinate to the rights of unit Owners with respect to such easements. Emergency, regulatory, law enforcement and other public services in the lawful performance of their duties upon the condominium property are included among persons entitled to use this easement.

(f) Additional Easements. The Association, on its behalf and on behalf of all unit Owners (each of whom hereby appoints the Association irrevocably as their attorney-in-fact for this purpose), each shall have the right: (a) to grant such additional electric, drainage, gas, cable television or other utility or service easements or to relocate any existing utility or service easements or drainage facilities (subject to applicable restrictions) in any portion of the Condominium Property; and (b) to grant access easements or to relocate any existing access easements in any portion of the common elements as the Association shall deem necessary or desirable for the proper operation and maintenance of the Improvements, or any portion thereof, for the general health or welfare of the unit Owners or for the purpose of carrying out any provisions of this

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Declaration or otherwise, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the units for dwelling purposes. Easements for ingress and egress are reserved over the streets and the Common Elements depicted in Exhibit "A" and described in this declaration for the use and benefit of all Owners, tenants, or guests of Owners.

4. Restraint Upon Separation and Partition of Common Elements.

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

4.2 The share in the Common Elements appurtenant to a unit cannot be conveyed nor encumbered except together with the unit.

4.3 The share in the Common Elements appurtenant to a unit is an undivided interest, and no action for partition of the Common Elements shall lie so long as the Condominium has not been terminated in accordance with the provisions of Section 19.

4.4 In the event that the Condominium is properly terminated in accordance with this Declaration or by law, the Owners shall become tenants in common of the property and each shall own an undivided interest therein equal to the fraction or percentage of his undivided interest in the Common Elements before the termination; each lien on an individual unit shall become a lien on the individual undivided interest of the Owner of such unit as a tenant in common of the entire property.

5. Ownership of Common Elements and Common Surplus and Share of Common Expenses; Voting Rights.

5.1 Fractional Ownership and Shares. The undivided fractional interest in the common elements and common surplus and liability for common expenses appurtenant to each unit is 1/54th.

5.2 Voting. There shall be one vote appurtenant to each unit. The unit owner shall be entitled to cast such vote in accordance with the provision of the respective bylaws and articles of the condominium association. Each unit owner shall be a member of the condominium association.

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

6.1 Requirements. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Administration of the Association

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or by not less than one-fourth (1/4) of all of the voting interests of the Association membership. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. Except as otherwise provided, approvals must be by affirmative vote of:

(a) Unit owners voting in person, by proxy, or in a writing at a meeting with notice at which a quorum has been obtained and exercising not less than two-thirds (2/3) of the total voting interests in the Association; and

(b) The consent and joinder of lienholders of record, if required by Section 6.4.

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

6.3 Execution and Recording. An amendment shall be evidenced by a certificate of the Association which shall include the Official Record Book and first page number of the recording data identifying the Declaration and shall be executed with the formalities required for the execution of a deed. An amendment of the Declaration is effective when the applicable certificate is properly recorded in the public records of the County.

6.4 Restraint on the Amendment of Certain Provisions. Unless otherwise provided specifically to the contrary in this declaration, no amendment shall change the configuration or size of any unit in any material fashion, materially alter or modify the appurtenances to any unit, or change the fraction or percentage by which the owner of a unit shares the common Expenses and owns the common elements and common surplus, unless the record owner of the unit and all record owners of liens on it join in the execution of the amendment and unless all the record owners of all the other units approve the amendment. No amendment may be adopted which would eliminate, modify, prejudice, abridge, or otherwise adversely affect any rights, benefits, privileges, or priorities granted holders of mortgages on the units without the consent of said mortgagees in each instance; nor shall an

amendment make any change in the sections hereof entitled "Insurance", "Reconstruction or Repair After Fire or Other Casualty", or "Condemnation" unless the primary institutional first mortgagee shall consent to the amendment. The provisions of this Section 6.4 may not be amended in any manner.

6.5 Current Version of Declaration. A current version of the of Declaration and all exhibits thereto, including all approved amendments, shall be made available by the Association at reasonable times for examination by insurance carriers, unit owners, mortgagees, and those agents or representatives of unit owners designated by written instrument.

6.6 Comments on Proposed Amendment Except in an emergency, a notice of any proposed amendments shall be sent to members for their review and feedback purposes in sufficient time for consideration prior to final proposed amendment to be considered at general membership meeting.

7. Maintenance and Repairs.

7.1 Units. All maintenance, repairs and replacements of, in or to any unit, whether structural or nonstructural, ordinary or extraordinary, including without limitation, maintenance, repair and replacement of screens, windows, the interior side of the entrance door and all other doors within a unit, the electrical wiring in a unit commencing at the circuit breaker panel, the air-conditioning fixtures serving the unit, water pipes in the unit commencing at the shut-off valve, sewer and other plumbing systems commencing at the point such system enters the unit, and the cleaning, repair and replacement of the windows, screens and frames thereof which are part of the porch for that unit, shall be performed by the Owner of such unit at the unit owner's sole cost and expense, except as otherwise expressly provided to the contrary herein. The ordinary cleaning and maintenance of the limited Common Elements specifically including the storage room appurtenant to each unit is the responsibility of the unit owner.

7.2 Common Elements. Except to the extent proceeds of insurance are made available therefor, all maintenance, repairs and replacements in or to the Common Elements (other than Limited Common Elements as provided above) shall be performed by the Association and the cost and expense thereof shall be charged to all unit owners as a common expense, except to the extent arising from or necessitated by the negligence, misuse or neglect of a specific unit owner(s), in which case such cost and expense shall be paid solely by such unit owner(s).

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8. Additions, Alterations or Improvements by the Association. Whenever in the judgment of the Board of Administration, the Common Elements, or any of them, shall require capital additions, alterations, or improvements (as distinguished from repairs and replacement), the cost of which exceeds \$10,000.00 in the aggregate in any calendar year, the Association may proceed with such additions, alterations, or improvements only if such additions, alterations or improvements shall have been approved by a majority of all voting interests of unit owners voting at a meeting at which a quorum is attained. Any such additions, alterations or improvements to such Common Elements, or any of them, the cost of which is in the aggregate \$10,000.00 or less in a calendar year, may be made by the Association without approval of the unit owners. The cost and expense of any such additions, alterations or improvements to such Common Elements shall constitute a part of the common expenses and shall be assessed to the unit owners as common expenses.

9. Additions, Alterations or Improvements by Unit Owners.

9.1 A unit owner shall not make any alterations to his unit which would remove any portion of, nor make any additions to Common Elements or do anything which would adversely affect the safety or soundness or the Common Elements or any portion of the condominium property which is to be maintained by the Association.

9.2 No unit owner shall make any structural additions, alteration or improvement in or to his unit or make any alteration to limited Common Elements without the prior written consent of the Board of Administration. The Board shall have the obligation to answer any written request accompanied by plans, drawings, specifications, materials prepared by an architect and by a unit owner for approval of such additions, alterations or improvements in such unit owner's unit or Limited Common Elements within thirty (30) days after the latter of the date of such request or the date on which all additional information requested by the Association is received. The failure of the Association to approve or disapprove within the stipulated time shall constitute the Board's consent to the proposed additions, alterations or improvements by the unit owner. Any such additions, alterations or improvements shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction. A unit owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, to hold the Association and all other unit owners harmless from any liability and expenses arising therefrom.

**10. Operation of the Condominium by the Association:
Powers and Duties..**

10.1 Powers and Duties. The Association is the entity responsible for the operation of the condominium. The powers and duties of the Association shall include those set forth in the Articles and By-Laws (respectively, Exhibit "B" and "C" attached hereto), as amended from time to time. In addition, the Association shall have all the powers and duties set forth in the Condominium Act, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation:

(a) The irrevocable right to have access to each unit from time to time during reasonable hours to the extent deemed necessary for the maintenance, repair, or replacement of any Common Elements therein, or at any time and by force, if necessary, for making emergency repairs therein deemed necessary, to prevent damage to the Common Elements or to any unit or units, or for determining compliance with the terms and provisions of this Declaration, the Exhibits attached hereto, and the rules and regulations adopted pursuant to such documents, all as the same may be amended from time to time.

(b) The power to make and collect Assessments and other charges against unit owners and to lease, maintain, repair, and replace the Common Elements.

(c) The duty to maintain accounting records according to accounting practices normally used by similar associations, which shall be open to inspection by unit owners or their authorized representatives at reasonable times.

(d) The right to contract for the management and maintenance of the Condominium Property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, and maintenance, repairs, and replacement of the common elements with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association.

(e) The power to borrow money, to execute promissory notes and other evidences of indebtedness, and to give as security therefor, mortgages and security interest in property owned by the Association; provided that such actions are approved by a majority of the entire membership of the Board of Administration and by not less than a majority of all the voting interest of the entire membership of the Association at a meeting at which a quorum has been attained, or by such greater

percentage of the Board or unit Owners voting interests as may be specified in the By-Laws with respect to certain borrowing.

(f) The power to adopt and amend rules and regulations covering the details of the operation and use of the condominium property and to impose fines not exceeding any maximum fine limitation of the Condominium Act against the unit owner for the violation of this Declaration, the By-Laws, or the rules and regulations by the unit owner, his lessees, guests or invitees. Unit owners must be given notice and an opportunity for a hearing in accordance with the provisions of the By-Laws prior to imposing a fine.

(g) All of the powers which a corporation not for profit in the State of Florida may exercise. In the event of any conflict, the Declaration shall take precedence over the Articles of Incorporation, By-Laws, and applicable rules and regulations; the Articles shall take precedence over the By-Laws and applicable rules and regulations, and the By-Laws shall take precedence over applicable rules and regulations, all as amended from time to time.

10.2 Limitations Upon Liability of the Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium property, the Association shall not be liable to unit owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Condominium Property.

10.3 Restraint Upon Assignment of Shares in Assets. The share of a unit owner in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his unit.

10.4 Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that unit if at an Association meeting, unless the joinder of record Owners is specifically required by this Declaration or by law.

10.5 Acts of the Association. In all cases except where a provision of the Declaration, the Articles or the By-Laws or the law dictates otherwise, the Board of Administration by consent of a majority of its directors shall have the power to act through its officers without the consent of unit owners and without a specific resolution. Where the Board of Administration so acts, it may do so under such terms and conditions as it deems appropriate. Nothing herein shall require the Board to act in any given instance nor preclude the Board from formal hearing with or without the participation of units owners.

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11. Determination of Common Expenses and Fixing of Assessments Therefor.

11.1 Annual Budget. The Board of Administration shall from time to time, and at least annually, prepare a budget for the Condominium; determine the amount of Assessments payable by the unit owners to meet the Common Expenses of the Condominium; and allocate and assess such expenses among the unit owners in accordance with the provisions of this Declaration and the By-Laws. Assessments to a unit shall be a continuing lien on such unit until paid. The Board of Administration shall advise all unit Owners promptly in writing of the amount of the Assessments payable by each of them as determined by the Board of Administration as aforesaid and shall furnish copies of each budget, on which such Assessments are based, to all unit owners and (if requested in writing) to their respective mortgagees.

11.2 Common Expenses. The Common Expenses shall include the expenses of and reserves for the operation, maintenance, repair, or replacement of the Common Elements; costs of carrying out the powers and duties of the Association; and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles or By-Laws of the Association, applicable rules and regulations, or by the Association.

11.3 Utility Expense. The utility expense for water and sewer shall be a common expense. The condominium has a single meter as constructed. The Association may, at its election, include the water and sewer charges in the annual budget and charge the same against all assessable units, or may exclude the water and sewer from the annual budget and collect the same as a special assessment. If the special assessment is elected, the charges shall be divided among the assessable units. Nothing herein shall preclude the installation of separate meters to each unit and direct billing thereafter.

11.4 Special Assessments. The Association may make such special assessments as may be necessary to cover such expenses as cannot be projected with reasonable accuracy so as to be included in the budget. Except for an emergency declared by the Board of Administration, any special assessment exceeding the aggregate amount of \$10,000.00 chargeable against all or a majority of assessable units shall require the prior approval of a majority of the voting interests of the condominium at a duly called meeting of unit owners.

11.5 Changes to Budget. Any budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of the By-Laws.

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12. Collection of Assessments

12.1 Liability for Assessments. A unit owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the unit owner. Except as provided in Section 12.7, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments assessed against the grantor for his share of the Common Expenses prior to the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by the abandonment of the unit against which the Assessments are made or otherwise.

12.2 Default in Payment of Assessments. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at the lower of the highest lawful rate or eighteen percent (18%) per annum from the due date until paid. The Association shall have a lien on each Condominium Parcel for any unpaid Assessments on such parcel, with interest, administrative late charges, and for reasonable attorney's fees and costs incurred by the Association in the collection of the Assessments or enforcement of the lien. The lien is effective from and after recording a claim of lien in the Public Records of the County, stating the description of the Condominium Parcel, the name of the record Owner, the amount(s) due, and the due date(s). The lien is in effect until all sums have been fully paid or until barred by law. The claim of lien shall secure all unpaid assessments, late fees, interest, costs and attorney's fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to entry of a final judgment of foreclosure. A claim of lien shall be signed and acknowledged by an officer or agent of the Association. Upon payment, the person making the payment is entitled to a satisfaction of the lien. The Association may bring an action in its name to foreclose a lien for unpaid Assessments in the manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid assessments without waiving any claim of lien.

12.3 Notice of Intention to Foreclose. Following the recording of the claim of lien in the Public Records of the County, the Association shall give the Unit Owner notice of the Association's intention to foreclose the lien. The notice shall be given by personal delivery of a copy of it to the unit owner or sent by certified or registered mail, return receipt requested, addressed to the unit owner at his last known address. The officer or other person making personal delivery of the notice to the Owner shall prepare an affidavit stating the time, place and name of the person to whom personal delivery was made. The return receipt or affidavit shall be maintained in the Association records until such time as the lien and subsequent accruing assessments and interests have been paid or turned over to the Court in a foreclosure action.

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12.4 Filing of Foreclosure. Within the period beginning thirty (30) days after personal service or mailing of the notice of intention to foreclose a lien and within ninety (90) days of the recording of the claim of liens in the public records of the county, the Association shall file an action to enforce the lien. The Association may, at its discretion, seek a money judgment in a court of competent jurisdiction and seek to execute such judgment on the owners; or the Association may proceed immediately to foreclose the lien in a court of competent jurisdiction. The failure of the Association to take legal action prior to the expiration of the ninety (90) day period beginning with the date of the recording of the claim of lien shall not preclude the Association from taking legal action prior to the expiration of the statutory period for filing such action.

12.5 Appointment of Receiver to Collect Rent. If the unit owner remains in possession of the unit and the claim of lien is foreclosed the Association shall request the Court, in its discretion, to require the unit owner to pay a reasonable rental for the unit and for the appointment of a receiver to collect the rent.

12.6 First Mortgage. In the event that an first mortgagee or any third party purchaser at the foreclosure sale shall obtain title to the unit as a result of foreclosure of the first mortgage or, if an institutional first mortgage, as a result of a deed given in lieu of foreclosure, such mortgagee, its successors and assigns, and any purchaser at the foreclosure sale shall not be liable for the share of common expenses or assessments of other charges imposed by the Association pertaining to such condominium parcel or chargeable to the former unit owner of such condominium parcel which became due prior to the acquisition of title as a result of the foreclosure or the acceptance of deed in lieu of foreclosure, unless such share is secured by a claim of lien that is recorded prior to the recording of the mortgage. Such unpaid share of common expenses or assessments or other charges shall be deemed to be common expenses collectible from all of the unit owners, including such acquirer, and such acquirer's successors and assigns.

12.7 Possession of Unit. Except those persons described in Section 12.6, any person who acquires an interest in a unit, including without limitation, persons acquiring title by operation of law, shall take title subject to the lien for all unpaid Assessments and other charges due and payable from the former Owner.

12.8 Certificate of Unpaid Assessments. Any unit owner or mortgagee of record shall be entitled to a certificate showing the amount of unpaid Assessments against such unit; the certificate shall be provided within fifteen (15) days of a request for such certificate.

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

13. Insurance. The Association shall use its best efforts to purchase and maintain adequate insurance to protect the Association, the association property, and the condominium property. Insurance purchase by the Association shall be governed by the following provisions:

13.1 Purchase, Custody, and Payment. All insurance policies described herein covering portions of the condominium and association property shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Florida. The Association shall make a reasonable effort to purchase policies approved by most institutional lenders. Each insurance policy shall be payable to the Association or to the insurance trustee, if any, named by the board of administration.

(a) Copies to Mortgagees. The Association shall make provisions to provide one copy of each insurance policy and all endorsements thereto, or a certificate evidencing such policy to institutional mortgagees of units upon written request. demand.

(b) Copies Available for Inspection. A copy of each policy shall be available for inspection by unit owners at reasonable times.

(c) Personal Property and Liability. Unit Owners may obtain insurance coverage at their own expense and at their own discretion upon the property lying within the boundaries of their unit, including, but not limited to, their personal property and for their personal liability and living expense and for any other risks not otherwise insured in accordance herewith such as wall, floor and ceiling coverings.

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

(a) Casualty. All insurable improvements located on the condominium property including buildings, fixtures and the personal property belonging to the Association and any parts of the Common Elements located within the boundaries of a unit, collectively the "Insured Property". Not included within the insured property are the units and the furniture, furnishings and other personal property owned, supplied or installed by the unit owners or tenants of the unit owners. The insured property shall be insured in an amount not less than one hundred (100%) percent of the full insurable replacement value thereof, excluding foundations and excavation costs. Such policy or policies may contain reasonable deductible provisions as determined by the Board of Administration of the Association. Such coverage shall afford protection against:

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(i) Loss or Damage by Fire and Other Hazards covered by a standard extended coverage endorsement; and

(ii) Such Other Risks as from time to time are customarily covered with respect to buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism and malicious mischief.

(b) Liability. Comprehensive general public liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the insured property or adjoining driveways and walkways, or any work matters related to the insured property, with such coverage as may be required by the Board of Administration with a cross liability endorsement, if reasonably available, to cover liabilities of the unit owners as a group to any unit Owner, and vice versa;

(c) Worker' Compensation and other mandatory insurance, when applicable;

(d) Flood Insurance, should any portion of the property be in a special flood hazard area, as defined by the Federal Emergency Management Agency, the Association shall maintain a "master" or "blanket" policy of flood insurance covering the buildings and any other property located within the designated hazard area in an amount equal to the lesser of one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area; or the maximum coverage available for the property under the National Flood Insurance Program. Such insurance shall be a common expense of the Association;

(e) Fidelity Bond or Insurance covering each director, officer, and employee of the Association and each managing agent, if any, who handles Association funds, shall be bonded as required by law or if greater, such amount specified by the Board of Administration; and

(f) Such Other Insurance as the Board of Administration of the Association shall determine from time to time to be desirable.

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

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13.3 Additional Provisions. All policies of physical damages or hazard insurance shall provide that:

(a) The policy shall not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the named insureds, including mortgagees.

(b) Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Administration shall obtain an appraisal from a fire insurance company, or other competent appraiser, of the full insurable replacement value of the insured property exclusive of foundations and without deduction for depreciation, for the purpose of determining the amount of insurance to be purchased pursuant to this Section.

(c) All hazard policies shall provide that the word "building" wherever used in the policy shall include, but not necessarily be limited to, fixtures, installations, additions comprised in 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. However, the word building shall not include floor coverings, wall coverings, ceiling coverings, windows, sliding glass doors, or screens.

13.4 Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association as a common expense, except that the amount of increase in the premium occasioned by misuse, occupancy, or abandonment of any one or more units or their appurtenances or of the common elements by particular unit owners shall be assessed against and paid by such owners. Premiums may be financed in such manner as the Board of Administration deems appropriate.

13.5 Insurance Trustee; Share of Proceeds. All insurance policies obtained by the Association shall be for the benefit of the Association, the unit owners, and their mortgagees, as their respective interest may appear, and shall provide that all proceeds covering property losses shall be paid to the association or the insurance trustee which may be designated by the Board of Administration and which, if so appointed, shall be a bank or trust company in Florida with trust powers, with the principal place of business in the State of Florida. The insurance trustee shall not be liable for payment of premiums nor for the failure to collect any insurance proceeds. The duty of the insurance trustee shall be to receive proceeds as are paid and to hold the same in trust for the purpose elsewhere stated herein, and for the benefit of the unit owners and their respective mortgagees according to the share or interest of each, but which share or interest need not be set forth on the records of the insurance trustee.

(a) Insured Property. Proceeds on account of damage to the Insured Property shall be held in undivided shares for each unit owner, such shares being the same as the undivided shares in the Common Elements appurtenant to each unit and provided that if the Insured Property so damaged includes property lying within the boundaries of specific units; the portion of the proceeds allocable to such property shall be held as if that portion of the Insured Property were Optional Property as described in paragraph (b) below.

(b) Optional Property. Proceeds on account of damage attributable to certain units or portions thereof and the contents of such units not included under "Insured Property" above, as determined by the Association in its sole discretion, hereafter collectively the "Optional Property", if any, which are collected by reason of any optional insurance which the Association elects to carry shall be held for the benefit of the owners of the units or other portions of the optional property damaged in proportion to the cost of repairing the damage suffered by each such affected owner, which cost and allocation shall be determined in the sole discretion of the Association.

(c) Mortgagees. No mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the unit owner and mortgagee pursuant to the provisions of this Declaration.

13.6 Distribution of Proceeds. Proceeds of insurance policies received by the insurance trustee shall be distributed to or for the benefit of the beneficial Owners thereof in the following manner:

(a) Expenses of the Trust. All expenses of the insurance trustee shall be first paid or provision shall be made therefor.

(b) Reconstruction or Repair. If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners thereof, any remittances shall be payable jointly to the owner and mortgagee, if any, of each unit.

(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated among the beneficial Owners as provided in Section 13.5 above, and distributed first to all Institutional First Mortgagees in an amount sufficient to pay off their mortgages, and the balance, if any, to the beneficial Owners.

(d) Certificate. In making distributions to unit Owners and their mortgagees, the insurance trustee may rely upon a certificate of the Association made by the President and Secretary as to the names of the unit owners and their mortgagees and their respective shares of the distribution.

13.7 Association as Agent. The Association is hereby irrevocably appointed as agent and attorney-in-fact for each unit owner and for each Owner of a mortgage or other lien upon a unit and for each Owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon payment of such claims.

13.8 Unit Owner's Personal Coverage.

(a) Unless the Association elects otherwise, the insurance purchased by the Association shall not cover claims against an Owner due to accidents occurring within his unit nor casualty or theft loss on the contents of an Owner's unit. The contents of a unit includes floor, ceiling and perimeter wall coverings which are excluded from policies maintained by the Association in accordance with Section 13.3. It shall be the obligation of the individual unit owner, if such Owner so desires, to purchase and pay for insurance on the contents of his unit and other risks not covered by insurance carried by the Association.

(b) Insurance policies issued to individual unit owners shall provide that the coverage afforded by such policies is excess over the amount recoverable under any other policy covering the same property without rights of subrogation against the Association.

13.9 Benefit of Mortgagees. Certain provisions in this Section 13 entitled "Insurance" are for the benefit of mortgagees of units and may be enforced by such mortgagees.

13.10 Insurance Trustee. The Board of Administration of the Association shall have the option in its sole discretion of appointing an insurance trustee hereunder. If the Association fails or elects not to appoint such Trustee, the Association will perform directly all obligations imposed upon such Trustee by this Declaration. The fees and expenses of any insurance trustee are common expenses.

14. Reconstruction or Repair After Fire or Other Casualty.

14.1 Determination to Reconstruct or Repair. In the event of damage to or destruction of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto [see Section 13.5(b) for the definition of "optional property"]) is destroyed or substantially damaged and unit owners exercising not less than eighty percent (80%) of the applicable interests in the Common Elements elect not to proceed with repairs or restoration and the Primary Institutional First Mortgagee approves such election, the Board of Administration shall arrange for the prompt repair and restoration of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto), and the insurance trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments under procedures it adopts. If seventy-five percent (75%) or more of the insured property (and the optional property, if insurance has been obtained by the Association with respect thereto) is substantially damaged or destroyed and if unit owners exercising not less than two-thirds (2/3) of the applicable voting interests in the common elements duly and promptly resolve not to proceed with the repair or restoration thereof and the Primary Institutional First Mortgagee approves such resolution, the Condominium Property will not be repaired and shall be subject to an action for partition instituted by the Association, any unit Owner, mortgagee, or lienor, as if the Condominium Property were owned in common, in which event, the net proceeds of insurance resulting from such damage or destruction shall be divided among all the unit owners in proportion to their respective interests in the Common Elements as to proceeds held for damage to the Insured Property other than that portion of the Insured Property lying within the boundaries of any unit and among affected unit Owners in proportion to the damage suffered by each such affected unit Owner, as determined in the sole discretion of the Association in regards to proceeds held for damage to the Optional Property, if any, and that portion of the Insured Property lying within the boundaries of the unit; provided however, that no payment shall be made to the unit owner until there has first been paid in full out of the share of such fund all mortgages and liens of record on his unit in the order or priority of such mortgage and liens.

Whenever in this Section the words "promptly repair" or similar words are used, they shall mean that repairs are to begin not more than sixty (60) days from the date the insurance trustee notifies the Board of Administration and unit owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than ninety (90) days after the insurance trustee notifies the Board of Administration and the unit owners that

such proceeds of insurance are insufficient to pay the estimated costs of such work. The insurance trustee may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

14.2 Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the original plans and specifications or as they existed at the time the unit was initially conveyed if the original plans and specifications are unavailable. The damaged property may be constructed according to plans and specifications materially different to the original only upon the approval of Owners exercising not less than eighty percent (80%) of the applicable voting interest in the Condominium to include the Owners of the units and optional property which are to be materially altered and their respective mortgages.

14.3 Special Responsibility. If the damage is only to those parts of the Optional Property for which the responsibility of maintenance and repairs is that of the respective unit owners, then the unit owners shall be responsible for all necessary reconstruction and repair which shall be effected promptly and in accordance with guidelines established by the Board, provided that where insurance proceeds are held by the Association by reason of the purchase of optional insurance thereon, in which case the Association shall have the responsibility to reconstruct and repair the damaged Optional Property, provided that the respective unit owners shall be individually responsible for any amount by which the cost of such repair or reconstruction exceeds the insurance proceeds held for such repair or reconstruction on a unit by unit basis, as determined in the sole discretion of the Association. In all other instances, the responsibility for all necessary reconstruction and repair shall be that of the Association.

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

14.5 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessments shall be made against the unit owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments on account of damage to the Insured Property shall be made in proportion to all of the Owner's respective shares in the Common Elements, and on account of damage to the Optional Property, whether or not insured by the Association, in proportion to the cost of repairing the damage suffered by each Owner thereof, as

determined by the Association.

14.6 Construction Funds. The funds for payment of the costs of reconstruction and repair, which shall consist of proceeds of insurance held by the insurance trustee and funds collected by the Association from Assessments against unit owners, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total Assessments made by the Association in order to provide funds for payment of the costs of reconstruction and repair which are the responsibility of the Association are more than \$100,000.00, then the sums paid upon such Assessments shall be deposited by the Association with the insurance trustee. In all other cases, the Association shall hold the sums paid upon such Assessments and disburse the same in payment of the costs of reconstruction and repair.

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

(i) Association Lesser Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$100,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Administration of the Association; provided, however, that upon request made to the insurance trustee by an Institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided by (ii) below for the reconstruction and repair of damage.

(ii) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is \$100,000.00 or more, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by (i) above, but then only upon the further approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

(iii) Unit Owners. If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair that are the responsibility of the Association, such balance may be used by the Association to effect repairs to the Optional Property (if not insured or if under-insured) or may be distributed to Owners of the Optional Property who have the responsibility for reconstruction and repair thereof. The distribution shall be made in the same proportion that the estimated cost of reconstruction and repair of such damage to each affected unit owner bears to the total of such estimated

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costs to all affected unit owners, as determined by the Board; provided, however, that no unit owner shall be paid an amount in excess of the estimated costs or repair for his portion of the Optional Property. All proceeds must be used to effect repairs to the Optional Property, and if insufficient to complete such repairs, the Owners shall pay the deficit with respect to their portion of the Optional Property and promptly effect the repairs in the manner elsewhere herein contemplated. Any balance remaining after such repairs have been effected shall be distributed to the affected unit Owners and their mortgagees jointly as elsewhere herein contemplated.

(iv) Surplus. It shall be presumed that the first monies disbursed in payment of the costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Owners of the fund; funds held in respect to a unit subject to a mortgage shall be payable to the unit owner and his mortgagee jointly provided that, however, the Association and insurance trustee shall not be liable to any mortgagee for failure to include such mortgagee as a payee; except, however, that part of a distribution to an Owner which is not in excess of Assessments paid by such Owner into the construction fund shall not be made payable jointly to any mortgagee.

(v) Certificate. Notwithstanding the provisions hereof, the insurance trustee shall not be required to determine whether or not sums paid by unit Owners upon Assessment shall be deposited by the Association with the insurance trustee, nor to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect or otherwise, nor whether a disbursement is to be made from construction fund, nor to determine whether surplus funds to be distributed are less than the Assessments paid by Owners, nor to determine the payees or the amounts to be paid. 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 names of the payees and the amounts to be paid.

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

15. Condemnation.

15.1 Deposit of Awards with Insurance Trustee. The taking of portions of the Condominium Property by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards of that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the insurance trustee. Even though the awards may be payable to

unit owners, the unit owners shall deposit the awards with the insurance trustee; and in the event of failure to do so, in the discretion of the Board of Administration of the Association, a special Assessment shall be made against a defaulting unit owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Owner.

15.2 Determination Whether to Continue the Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain shall also be deemed to be a casualty.

15.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the awards and special Assessments will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the insurance trustee after a casualty, or as elsewhere in this Section 15 specifically provided.

15.4 Unit Reduced but Habitable. If the taking reduces the size of a unit and the remaining portion of the unit can be made habitable (in the sole opinion of the Association), the award for the taking of a portion of the unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:

(a) Restoration of Unit. The unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the unit.

(b) Distribution of Surplus. The balance of the award in respect to the unit, if any, shall be distributed to the Owner of the unit and to each mortgagee of the unit; the remittance being made payable jointly to the Owner and such mortgagees.

(c) Adjustment of Shares in Common Elements. The fraction or percentage representing the share in the Common Elements and of the common expenses and common surplus appurtenant to the unit may be reduced only in accordance Section 5.1.

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

(a) Payment of Award. The awards shall be paid first to the applicable Institutional First Mortgagees in amounts sufficient to pay off their mortgages in connection with each unit which is not so habitable; second, to the Association for any due and unpaid Assessments; and third, jointly to the affected unit owners and other mortgagees of their units. In no event shall the total of such distributions in respect of a specific unit exceed the appraised value of such unit immediately prior to the taking as determined by the applicable trier of fact or as agreed upon between the parties. The balance, if any shall be applied to repairing or replacing the Common Elements.

(b) Addition To Common Elements. The remaining portion of the unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the unit owners in the manner approved by the Board of Administration of the Association; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner elsewhere herein required for capital improvements to the Common Elements.

(c) Adjustment of Shares. The shares in the Common Elements, common expenses, and common surplus appurtenant to the units that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, common expenses, and common surplus among the reduced number of unit owners. The new percentage shares shall be determined in accordance with Section 5.1 using as the new denominator the number of units existing after the taking.

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

(e) Arbitration. If the market value of a unit prior to the taking cannot be determined by agreement between the unit owner and mortgagees of the unit and the Association within thirty (30) days after notice of a dispute by any affected party, such value shall be determined by arbitration in accordance with

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the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the unit. A judgment upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction in accordance with the Florida Arbitration Code. The cost of arbitration proceedings shall be assessed against all unit owners, including Owners who will not continue after the taking, in proportion to the applicable percentage shares of such Owners as they exist prior to the adjustments to such shares affected pursuant hereto by reason of the taking.

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

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

15.8 Amendment to Declaration. An amendment to correct the Declaration to reflect the changes in the units, in the Common Elements and in the ownership of the Common Elements and share in the common expenses and common surplus resulting from a condemnation, shall require the approval by, and execution upon the direction of a majority of all members of the Board of Administration. The amendment shall be recorded in the county and make reference to the Official Records Book and first page of the recording data of the Declaration.

16. Occupancy and Use Restrictions.

16.1 Residential Use. Each unit shall be occupied by a single family, its servants and guests as a residence and for no other purpose.

16.2 Common Elements. The common elements shall be used only for the purposes for which intended in the furnishing of services and facilities for the enjoyment of residents.

16.3 Nuisances. No nuisances shall be allowed upon the condominium property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the condominium including units shall be kept in a clean and sanitary condition, and not rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No unit owner shall permit any use of his unit or make any use of the common elements which will increase the insurance premium upon the condominium property.

16.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility for maintenance, repair or replacement for compliance shall be the same as that for maintenance responsibility.

16.5 Rules and Regulations. The Board of Administration may adopt, rescind, or amend reasonable rules and regulations concerning the occupancy and use of the Condominium property by majority vote subject to the right of unit owners to overrule the Board in accordance with the provisions of the Bylaws.

16.6 Compliance. In order to provide for congenial occupancy of the Condominium property and for the protection of the values of the units, the use of the Condominium property shall be restricted to and shall be in accordance with rules and regulations adopted by the Board of Administration.

17. Selling, Leasing and Mortgaging of Units. A unit owner may freely sell, lease or mortgage his unit without restrictions, except as specifically provided herein.

17.1 Leases. No apartment owner may lease, except in accordance with rules and regulations adopted from time to time by the Board of Directors of the Association, however, no lease shall be for a period of less than two (2) weeks nor more than three (3) months within any calendar year without the express written approval by said Board of Directors.

(a) A lease for a period longer than three (3) months must be in writing and submitted to the Board of Administration for approval along with the name and address of the proposed lessee, the name of persons to reside with lessee, and such other information as the Board may reasonably require.

(1) The Board of Administration may impose a fee for approving the lease not to exceed the amount authorized by law.

(2) The Board of Administration may require a security deposit not to exceed the amount authorized by law.

(b) The Board of Administration will approve or disapprove leases for periods of less than two (2) weeks or more than three (3) months in writing.

(c) A lessee, whether stated in the lease or not, by taking possession of a unit agrees to abide by this Declaration, the By-laws and the rules and regulations.

17.2 Subject to Declaration. Any deed or other instrument conveying an interest in any condominium unit shall be subject to this Declaration of Condominium and all exhibits thereto as if the grantor had been a party thereto whether or not the instrument conveying the interest makes any reference thereto or not.

18. Compliance and Default. Each unit owner, each tenant and other invitee and the Association shall be governed by, and shall comply with the provisions of The Condominium Act, this declaration of condominium, the articles of incorporation and the by-laws of the Association, and the rules and regulations, all as may be amended from time to time, and the provisions thereof shall be deemed expressly incorporated into any lease of a unit. The Association and, where appropriate, a unit owner shall be entitled to the following relief in addition to the remedies provided by the Act:

18.1 Negligence. A unit owner shall be liable for the expense of any maintenance, repair, or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents, lessees, or invitees but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association.

18.2 Failure to Comply. In the event a unit owner, his lessee, guests or invitees fails to maintain a unit, fails to cause such unit to be maintained, or fails to observe and perform all of the provisions of the Declaration, the By-Laws, the Articles of Incorporation of the Association, applicable rules and regulations, or any other agreement, document, or instrument affecting the Condominium Property or other property administered by the Association, in the manner required, the Association shall have the right to proceed in a court of equity to require compliance, to impose fines, to sue in a court of law for damages, to assess the unit owner and the unit for the sums necessary to accomplish any action, to establish additional Assessments, and to establish a lien against the unit, as elsewhere herein provided. In addition, the Association shall have the right, for itself and its employees and agents, to enter the unit (by force, if necessary), and to perform any necessary action and to enforce compliance with the above provisions without having committed a trespass or incurred any other liability to the unit owner.

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

19. Termination of Condominium. The Condominium shall continue until (a) termination by casualty loss, condemnation, or eminent domain, as more particularly provided in this Declaration, or (b) such time as withdrawal of the Condominium Property from the provision of the Act is authorized by a vote of Owners exercising not less than eighty percent (80%) of the voting interests of the entire Association membership and by the institutional first mortgagee insuring not less than unit owners representing more than 50% of the voting interests of units subject to such first mortgages. In the event such withdrawal is authorized as aforesaid, the Condominium Property shall be subject to an action for partition by any unit owner, mortgagee, or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all unit owners in proportion to their respective interests in the Common Elements, provided however, that no payment shall be made to a unit owner until there has been paid off out of his share of such net proceeds all mortgages and liens on his unit in the order of their priority. The termination of the Condominium, as aforesaid shall be evidenced by a certificate of the Association executed by its President and Secretary, certifying as to the basis of the termination; said certificate shall be recorded among the public records of the County.

This Section may not be amended without the consent of all institutional first mortgagees.

20. Additional Rights of Institutional First Mortgagees . In addition to all other rights herein set forth, the holder, insurer or guarantor of a first mortgagee shall have the right, upon written request to the Association, to:

- (a) Examine the Association's books;
- (b) Receive notice of Association meetings and to attend such meetings;
- (c) Receive notice of an alleged default by any unit owner, for whom such mortgagee holds a mortgage, which is not cured within thirty (30) days of notice of default to such unit owner, or in any event where such delinquency has continued for a period of sixty (60) days;
- (d) Receive notice of any substantial damage or loss to any portion of the Condominium Property;
- (e) Receive copies of the audited financial statement;

(f) Receive notice of any termination of any insurance on the condominium;

(g) Receive notice of any proposed termination of the condominium; and

(h) Receive notice of any proposed amendment effecting a change in (i) the boundaries of any unit or the exclusive easement rights appertaining thereto; (ii) the interests in the general or limited common elements appertaining to any unit or the liability for common expenses appertaining thereto; (iii) the voting interest appertaining to any unit or (iv) the purposes for which any unit or the common elements are restricted.

21. Covenant Running With the Land. All provisions of this Declaration, the Articles, By-Laws and applicable rules and regulations of the Association shall, to the extent applicable and unless otherwise expressed herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of present and subsequent owner(s) of the land or any part thereof, or interest therein, and their respective heirs, personal representatives, successors, and assigns; but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future unit owners, tenants, and occupants of units shall be subject to and shall comply with the provisions of this Declaration and such Articles, By-Laws, and applicable rules and regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any unit, shall constitute an adoption and ratification by such unit owner, tenant, or occupant of the provisions of this Declaration, the Articles, By-laws and Rules and Regulations of the Association, as they may be amended from time to time, including, but not limited to, a ratification of any appointments of attorneys-in-fact contained therein.

22. Additional Provisions.

22.1 Notices. All notices to the Association required hereunder or under the By-Laws of the Association shall be sent by U.S. mail to the Association in care of its office at the Condominium, or to such other address as the Association may hereafter designate from time to time by written notice to unit Owners. Except as provided specifically in the Act, all notices to any unit owner shall be sent by first class mail to the Condominium address of such unit owner, or such other address as may have been designated by him from time to time, in writing, to the Association. All notices to mortgagees of units shall be sent by first class mail to their respective addresses, or such other address, as may be designated by them from time to time, in writing, to the Association. All notices shall be deemed to have

been given when mailed with postage prepaid, except notices of a change of address, which shall be deemed to have given when received or five (5) business days after proper mailing, whichever shall first occur.

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

22.3 Exhibits. There is hereby incorporated in this Declaration any materials contained in the Exhibits attached hereto which under the Act are required to be part of the Declaration.

22.4 Signature of President and Secretary. Whenever the signature of the President of the Association is required hereunder, the signature of the Vice-President may be substituted, and whenever the signature of the Secretary of the Association is required hereunder, the signature of an assistant secretary may be substituted, provided that the same person may not execute any single instrument on behalf of the Association in two separate capacities.

22.5 Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this Declaration, the Exhibits attached hereto or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, said dispute or litigation shall be governed by the laws of the State of Florida.

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

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

22.8 Ratification. Each unit owner, by reason of having acquired ownership, whether by purchase, gift, operation of law or otherwise, and each occupant of a unit, by reason of his occupancy, shall be deemed to have acknowledged and agreed

that all of the provisions of this Declaration, the Articles and By-Laws of the Association, and applicable rules and regulations are fair and reasonable in all material respects.

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

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

IN WITNESS WHEREOF, the Condominium Association has caused this amended and restated declaration to be duly executed the day and year first above written.

KING'S CROWN CONDOMINIUM
ASSOCIATION, INC.

Attest:

Paul P. Farquhar
Paul P. Farquhar, Secretary

By: John T. Seaman, Jr.
John T. Seaman, Jr., President

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By-Laws
King's Crown Condominium Association, Inc.

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**AMENDED AND RESTATED
BY-LAWS
OF
KING'S CROWN CONDOMINIUM ASSOCIATION, INC.**
a corporation not for profit
under the laws of the State of Florida

ARTICLE I
Identity and Applicability

Section 1. These are the By-Laws of KING'S CROWN CONDOMINIUM ASSOCIATION, INC., herein referred to as the "Association" a corporation not for profit under the laws of the State of Florida, the original Articles of Incorporation of which are filed in the office of the Secretary of State.

Section 2. The Association has been organized for the purpose of administering a residential condominium pursuant to Chapter 718, Florida Statutes, herein referred to as the Condominium Act, which condominium is identified by the name "KING'S CROWN CONDOMINIUM".

Section 3. Applicability to Property. The provisions of these By-Laws are applicable to the condominium, which term includes the land, the building, and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith.

Section 4. Applicability to Persons. All present and future owners, lessees, and mortgagees, their employees, and any other person who may use the facilities of the condominium in any manner shall be subject to these By-Laws, the Declaration, relevant unit deeds, and rules and regulations pertaining to the use and operation of the condominium property.

Section 5. Acquisition, rental, or occupancy of any unit in the condominium shall be sufficient to signify acceptance and ratification of the provisions of the aforementioned instruments, and an agreement to comply therewith.

Section 6. The mailing address of the Association shall be 2721 Gulf Drive, Sanibel, Florida 33957.

Section 7. The Association shall operate on a calendar year basis. The Board of Administration is expressly authorized to change to a different fiscal year whenever deemed expedient and for the best interests of the corporation.

Section 8. The seal of the Association shall bear the name of the Association, the word "Florida" and the words "Corporation not for profit" and the Year of incorporation.

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ARTICLE II
Definitions

Section 1. All words, phrases, names and/or terms used in these By-Laws, the Declaration of Condominium, the Articles of Incorporation of the Condominium Association shall have the same meaning and be used and defined the same as they are in the Condominium Act unless the content of said instruments otherwise requires.

ARTICLE III
The Association

Section 1. Members. The owners of the condominium parcels shall be the members of this Association.

a. Title to units may be acquired and held in the name of an individual, in the name of two or more persons as joint tenants, tenants-in-common, or any other joint estate recognized under Florida Law, or in the name of a corporation, a partnership, a fiduciary, or any other entity capable of ownership of real property under the laws of Florida.

b. Any legal entity, upon acquiring title to a condominium parcel, shall become a member of the Association; and upon the conveyance or transfer of said ownership, said owner's membership in the Association shall cease provided that no person or entity holding title to a unit as security for the performance of an obligation shall acquire the membership appurtenant to such unit by virtue of such title ownership.

Section 2. Place of Meeting. Meeting of the membership shall be held at the principal office or place of business of the Association, or at such other suitable place convenient to the membership as may be designated by the Board of Administration.

Section 3. Annual Meeting. Annual meeting of the Association shall be held at 7:30 p.m. on the first Monday in February of each year or at the time and day specified by the Board of Directors in the notice of meeting. At the annual meeting, the members may transact such business of the Association as may properly come before them.

Section 4. Special Meetings. Special meetings of the members may be called by the President and shall be called by the President or Secretary at the request in writing of ten percent (10%) of the voting interests, such requests shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a written notice of each annual or special meeting, which notice shall incorporate a list of agenda items, stating the date, the time and place where it is to be held, to each member of record, at his address as it appears in the membership book of the Association, or if no such address

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appears, at his last known place of address, at least fourteen (14) days but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

a. Every notice shall be posted at a conspicuous place on the condominium property at least fourteen (14) continuous days prior to the meeting to which it refers.

b. The Secretary or other officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or personally delivered in accordance with this provision to each unit owner at the address last furnished to the Association.

Section 6. Majority of Members. As used in these By-Laws, the term "majority of members" shall mean a majority of the voting interest present in person or by proxy at the time of taking any vote.

Section 7. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of voting interest in the condominium shall constitute a quorum.

Section 8. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting to a time no later than thirty (30) days from the time the original meeting was called and hold the meeting adjourned, without additional notice, provided that a quorum can be obtained for such meeting.

Section 9. Voting. a. If a unit is owned by one person his right to vote shall be established by the roster of members. If a unit is owned by more than one person, the person entitled to cast the vote or votes for the unit shall be designated by a certificate signed by all of the record owners of the unit according to the roster of unit owners and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the President or Vice-President and attested by the Secretary of the corporation and filed with the Secretary of the Association. The certificate designating the representative who is authorized to vote for any other entity shall be executed with the formalities of a deed under Florida law. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast a vote for a unit may be revoked by the majority in interest of the ownership of such unit but no such revocation shall affect any vote taken before a certificate meeting the requirements hereinabove set forth has been filed with the Secretary of the Association. If a certificate designating the person entitled to cast the vote for

a unit is not on file, then the owners of such unit may only act by their unanimous vote.

Where a unit is owned by a married couple, either may cast the vote appurtenant to that unit. Where both the husband and the wife are present at a meeting and they disagree on a matter brought to a vote, they will be counted as present for the purpose of establishing a quorum but will cancel each other and no vote will be counted for their unit with respect to the disputed matter unless there is a voting certificate on file in favor of one and signed by the other.

b. At every meeting of the members, the owner or owners of each unit, either in person or by proxy, shall have the right to vote, as set forth in the Declaration. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of statute, or of the Declaration of Condominium or of the Articles of Incorporation, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control.

Section 10. Proxies. A member may appoint any other member, immediate family member, or attorney in fact as a proxy. All proxies must be filed with the Secretary prior to the meeting being called to order. Any proxy shall be valid only for the meetings for which originally given and any lawful adjourned meeting thereof. In no event shall any proxy be valid for a period longer than ninety (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 unit owner executing it. No proxy shall be used for the election of directors.

a. Limited Proxy. Limited proxies, substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes, shall be used for votes taken to:

1. Waive or reduce reserves in accordance with 718.112 (f) 2;
2. Waive financial statement requirements as provided by 718.111 (14);
3. Amend the Declaration pursuant to 718.110;
4. Amend the Articles of Incorporation or Bylaws; and,
5. Other matters for which the Condominium Act requires or permits a vote of unit owners.

b. General Proxy. General proxies may be used for other matters for which a limited proxy is not required and may also be used for nonsubstantive changes to items for which a limited proxy is given and required.

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Section 11. Order of Business. The order of business at all annual or special meetings of the members shall be as follows:

- a. Roll Call
- b. Proof of notice of meeting by affidavit of Secretary or waiver of notice
- c. Reading of the minutes of preceding meeting
- d. Reports of Officers
- e. Report of Board of Administration
- f. Reports of Committees
- g. Election of members of Board of Administration (when required)
- h. Unfinished business
- i. New business

Section 12. Minutes. Minutes shall be taken at all meetings of the members. Copies of the minutes shall be available for inspection at the office of the Association by unit owners and members of the Board of Administration at all reasonable times. Copies of the minutes of the annual meetings shall be mailed to members with the next quarterly statement.

ARTICLE IV Form of Administration

The Association and the Board of Directors. The affairs of the condominium shall be administered and managed by an association of unit owners organized as a Florida corporation not for profit, having the name KING'S CROWN CONDOMINIUM ASSOCIATION, INC. and hereinafter called the Association. All powers and authority of the Association shall be exercised through its Board of Directors herein referred to as the Board of Administration or governing board, consisting of three (3) or more directors as herein provided.

Section 1. Number and Qualification. The number of directors that shall constitute the Board shall be five (5) directors. Directors must be members of the Association.

Section 2. Election of Directors. Election shall be by written ballot or voting machines. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver (may be enclosed in another mailing including a regular published newsletter) a first notice of the date of the election. Any unit owner desiring to be a candidate shall give written

notice to the secretary not less than forty (40) days before a scheduled election together with an information sheet not to exceed 8 1/2" x 11" to be included with the mailing of the ballot. Reproduction and mailing fees will be paid by the Association. Not less than thirty (30) days before the election, the Association shall mail or deliver a second notice of the meeting to all unit owners eligible to vote together with a ballot which shall list all candidates. Elections shall be decided by plurality of those ballots cast. There shall be no quorum requirement nor minimum number of votes for election to the board of administration. No unit owner shall permit any other person to vote his ballot, and any such ballot improperly cast shall be deemed invalid. Any unit owner violating this provision is subject to being fined by the Association.

Section 3. Recall or Removal of Directors. Any member of the Board of Administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to recall a member or members of the Board of Administration may be called by ten percent (10%) of the voting interests. The notice of the meeting shall state the purpose of the meeting.

Section 4. Filling of Vacancies. Vacancies in the Board of Administration occurring between annual meetings shall be filled by the remaining directors.

Section 5. Term of Directors. Each Director shall serve a term of two (2) years until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided. Directors shall serve staggered terms. Three (3) directors shall be elected at the annual meeting held in odd numbered calendar years and two (directors) at the annual meeting held in even numbered calendar years.

Section 6. Powers and Duties. The Board of Administration shall have the powers and duties necessary for the administration of the affairs of the condominium, and may do all such acts and things as are not by law, by the Declaration, or by these By-Laws directed to be exercised and done by the unit owners. The powers and duties to be exercised by the Board of Administration shall include but shall not be limited to, the following:

a. Maintenance, repair, replacement and cleaning of the common elements other than any limited common elements required to be maintained, repaired, replaced, and cleaned by the owners of the unit to which such limited common elements are appurtenant;

b. To prepare and adopt an annual operating budget, which budget shall be sufficient in amount to pay for all necessary expenses and expenditures to be shared in common by the respective owners of units.

c. Determination, assessment, and collection of funds for common expenses, and payment of such expenses;

d. Adoption, distribution, amendment, and enforcement of rules governing the use and operation of the condominium and the use of the common elements, subject to the right of a majority of units owners to change any such rules;

e. Procurement and maintenance of insurance as hereinafter provided;

f. Maintenance of accounting records, in accordance with law and generally accepted accounting principles, which records shall be made available for inspection by unit owners and mortgagees at all reasonable times;

g. The selection and retaining of legal counsel for the Association when deemed necessary by the Board of Administration.

h. Authorization and prosecution, in the name of the Association, of any and all actions and proceedings deemed necessary or appropriate in furtherance of the interests of unit owners generally, including suits to foreclose liens for nonpayment of assessments or to recover money judgments on unpaid assessments;

i. Entry into any and all contracts deemed necessary or appropriate in furtherance of the interests of unit owners generally;

j. Employment and dismissal of personnel deemed necessary or appropriate for the maintenance and operation of the common elements.

k. Establishment of bank accounts in the name of the condominium, and authorization of signatories therefor;

l. Purchasing, leasing, or otherwise acquiring in the name of the Board of Administration or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale, lease, or surrender by their owners to the Board of Administration.

m. Purchasing units at foreclosure or other judicial sale in the name of the Board of Administration or its designee, corporate or otherwise, on behalf of all unit owners;

n. Selling, leasing, mortgaging, or otherwise dealing with units acquired by, and subleasing units leased by, the Board of Administration or its designee, corporate or otherwise, on behalf of all unit owners;

o. Organizing corporations to act as designees of the Board of Administration in acquiring title to or leasing units on behalf of all unit owners;

p. Contracting for repairs of and additions and improvements to the property, and for repairs to and restoration of the property in accordance with the provisions of the Declaration and of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

q. Employment of a managing agent or manager at such reasonable compensation and to perform such duties as the Board of Directors may authorize; provided, however, that the Board of Directors shall not delegate to any such managing agent or manager any of the powers set forth in Subsections d, g, h, l, m, n and o of this section, nor may it delegate the power to determine and assess common charges as provided in Subsection c of this section.

Section 7. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Administration before the services are undertaken.

Section 8. Organization Meeting. The first meeting of the Board of Administration shall be held immediately after the adjournment of the annual members' meeting. No notice shall be necessary to the newly elected directors in order to legally constitute such meeting, provided that a quorum of all members of the Board of Administration shall be present in person.

Section 9. Director's Meeting. a. Regular Meeting. Regular meetings of the Board of Administration may be held at such time and place as shall be determined from time to time, by a majority of the directors. Notice of regular meetings of the Board of Administration shall be given to each director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

b. Special Meetings. Special meetings of the Board of Administration may be called by the President on five (5) days' notice except in an emergency to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Administration shall be called by the President or Secretary, in like manner and on like notice, on the written request of at least two Directors.

Section 10. Notice of Director's Meetings. Adequate notice of all meetings of the Board of Administration will be posted conspicuously on the condominium property at least forty-eight (48) hours in advance of such meeting except in an emergency. If assessments against units are to be considered, the notice shall state that assessments will be considered and the nature of such assessments.

a. No less than fourteen (14) days written notice shall be mailed or delivered to unit owners and posted conspicuously on the condominium property prior to a meeting at which non-emergency special assessments, or at which amendments to rules regarding unit use, will be proposed, discussed or approved. Evidence of compliance shall be made by an affidavit executed by the secretary and filed among the official records of the Association.

b. Upon notice to the unit owners, the board shall by duly adopted rule designate a specific location on the condominium property upon which all notices of board meetings shall be posted.

Section 11. Presence at Meeting. A director of the Association who is present at a meeting of the board at which action on any corporate or association matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or in secret ballot at board meetings. A vote or abstention for each member present shall be recorded in the minutes.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Administration, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Administration shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Administration, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Administration. If at any meeting of the Board of Administration there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting, as originally called may be transacted without further notice.

Section 14. Fidelity Bonds. The Board of Administration shall obtain and maintain fidelity bonding of all persons who control or disburse funds of the Association in a principal sum of not less than Fifty Thousand Dollars (\$50,000.00) for each such person. Such Fidelity Bond shall name the Association as obligee and the Association shall bear the cost thereof.

Section 15. Designation of Officers. The principal officers of the Association shall be a President, Vice-President, a Secretary and a Treasurer, all of whom shall be elected by and

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from the Board of Administration. The Board of Administration may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary.

Section 16. Election of Officers. The officers of the Association shall be elected annually by the Board of Administration at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

Section 17. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Administration, any officer may be removed with or without cause and his successor elected at any regular meeting of the Board of Administration, or at any special meeting of the Board called for such purposes.

Section 18. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Administration. He shall have all of the general powers and duties which are usually vested in the office of President of an Association.

Section 19. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Administration shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Administration.

Section 20. Secretary. The Secretary shall keep the minutes of all of the Board of Administration meetings, and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Administration may direct and he shall, in general, perform all duties incident to the office of the Secretary. The minutes of all meetings of the unit owners and the Board of Administration shall be kept in a book available for inspection by unit owners or their authorized representative and Board members at any reasonable time. Any such minutes shall be retained by the Association for a period of not less than seven (7) years.

Section 21. Treasurer. The Treasurer shall have responsibility for Association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Administration.

Section 22. Voting by Written Instrument Without a Meeting. The Directors may poll the unit owners in writing on any matters on which the unit owners are, or would be authorized, to vote on at the annual meeting or special meeting called for such purposes and the written vote of the members shall determine

any such matter based upon the same number of votes as would be required for the passage or defeat of such matter as is provided in the Declaration of Condominium or these By-Laws, or in the absence of a specific provision, the Condominium Act.

Section 23. Amendment to By-Laws. These By-Laws may be amended by members exercising not less than a two-thirds (2/3) majority of the total voting interests in the Association at any regular or special meeting duly called with notice in accordance with the provisions of Section 5 of Article III of these Bylaws. The notice shall contain the proposed amendment or amendments which shall be in compliance with the requirements of the Condominium Act.

a. No By-Laws shall be revised or amended by reference to its title or number only. The full text of any By-Law change shall be set forth in the notice.

b. A copy of the amendment making reference on the first page thereof to the official record book and first page of the Declaration shall be recorded in the official records of Lee County, Florida. Such amendment shall be effective upon recording.

Section 24. Accounts and Commingling. All funds shall be maintained separately in the association's name. In addition, reserve funds shall be maintained separately from operating funds in separate accounts in a federal or state chartered bank. No manager or employee, officer, or director shall commingle any association funds with his funds or with the funds of any other condominium association or community association.

Section 25. Board Meeting Open to Unit Owners. (Notice Required.) - All regular or special meetings of the Board of Administration shall be open to all unit owners and adequate notice of all such meetings shall be posted in a conspicuous place on the condominium property in accordance with Section 10 of this Article IV. The notice shall list agenda items.

a. Any unit owner may tape record or videotape meetings of the board of administration. The right to attend includes the right to speak at such meetings with reference to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration and manner of unit owner statements.

Section 26. Budget - Adequacy, Adoption, Limitations, a. The Board of Administration shall cause a written notice of the time and place of the meeting of the Board of Administration which will consider the budget. The written notice together with a copy of the proposed annual budget of common expenses shall be mailed to the unit owners not less than thirty (30) days prior to the meeting at which the budget will be considered.

b. If an adopted budget requires assessments against the unit owners in any fiscal or calendar year exceeding one hundred fifteen percent (115) of the assessment for the previous year, the Board of Administration, upon written application of ten percent (10%) of the voting interests to the Board, shall call a special meeting of the unit owners within thirty (30) days, upon not less than ten (10) days written notice of each unit. At the special meeting, unit owners shall consider and enact a budget which may only be adopted by a vote of not less than a majority vote of all the voting interests, either in person or by proxy.

c. The Board of Administration may propose a budget to the unit owners at a meeting of members or in writing, and if the budget or proposed budget is approved by the unit owners at the meeting or by a majority vote of all voting interests in writing, the budget shall be adopted.

d. If a meeting of the unit owners has been called and a quorum is not obtained or a substitute budget is not adopted by the unit owners, the budget adopted by the Board of Administration shall go into effect as scheduled.

e. In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provision for reasonable reserves for repair or replacement of the condominium property anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterment to the condominium property shall be excluded from the computation.

f. All notices of any meeting where assessments against unit owners are to be considered for any reason, shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

g. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance pursuant to Section 718.112(2)(f)2 of the condominium Act, unless the members of the Association by a majority of voting interests present at a duly called meeting of the Association determine for a fiscal year to provide no reserves or reserves less adequate than required by said Section 718.112(2)(f)2. Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a majority of the voting interests present at a duly called meeting of the Association.

Section 27. Assessments. The annual assessments of the unit owners for their share of the common expenses shall be made payable to the Association or such other person or entity determined by the Board of Administration. Assessments in any event shall be made against unit owners and payable as determined by the Board Administration, but not less frequently than

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quarterly in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

Section 28. Transfer Fees. The Association may impose a fee not to exceed the maximum fee allowable by the Condominium Act in connection with each transfer or sale of a unit.

Section 29. Fines. The Association may levy reasonable fines, not to exceed the amount allowable by the Condominium Act, against a unit for failure of the unit owner, or its occupant, licensee or invitee to comply with any provision of the Declaration, the Association By-Laws, or rules of the Association.

a. No fine shall be levied except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, its licensee or invitee.

b. No fine shall become a lien against the unit.

ARTICLE V
Operation of Property

Section 1. Determination of Common Charges. Each year, the Board of Administration shall prepare a proposed budget of common expenses for the Association. This budget shall include projections of common expenses, common revenues (from sources, if any, other than assessments of unit owners), the amount of common charges required to meet the excess of the former over the latter, and an allocation and assessment of such common charges against unit owners proportionate to each unit owner's interest in the common elements, as provided in the Declaration.

As used in these By-Laws, the term "common expenses" or "common charges" shall mean expenses or charges for which unit owners are proportionately liable, and shall include, but shall not be limited to the following:

a. All expenses of administration, maintenance, repair, and replacement of the common elements, except expenses for any limited common elements designated by the Association expressly made expenses of the unit owners.

b. Insurance premiums on all policies of insurance obtained by the Board of Administration, managing agent, or manager, as the case may be, pursuant to the Declaration and Sections Fourteen and Fifteen of this Article.

c. General operating reserve.

d. Repair and replacement reserve. The Association shall establish and maintain an adequate reserve fund for the periodic

maintenance, repair and replacement of improvements to the common elements. Said fund shall be maintained out of regular assessments for common charges.

e. Reserve for deficits accrued in prior years.

f. Costs of carrying out the powers and duties of the Association.

g. All other amounts that the owners may agree upon or that the Board of Administration may deem necessary or appropriate for the operation, administration, and maintenance of the condominium.

h. All other amounts designated common expenses by the Declaration, by these By-Laws, or by law.

A copy of the proposed budget will be mailed to each unit owner and unit mortgagee not less than fourteen (14) days prior to the meeting at which the budget will be considered by the board, together with a notice of that meeting. A final budget of common expenses will be adopted by the board at such meeting, subject to the rights of the unit owners provided by law in the case of any budget requiring assessment against the unit owners in an amount exceeding one hundred and fifteen percent (115%) of the assessment for the preceding year. Each unit owner will be advised in writing of the amount payable by him during the following year.

Section 2. Collection of Assessments. The Board of Administration shall, by suitable written notice, notify each unit owner of assessments for common charges for their unit(s), effective on the first day of January of each year. The assessment will cover the next succeeding twelve (12) months. One-twelfth of the annual assessment shall be payable in advance on the first day of each month unless the Board of Administration in its sole discretion, elects to collect quarterly payments which shall be one-fourth (1/4) of the annual assessment due on the first day of each quarter. An administrative late fee not to exceed the greater of \$25.00 or five percent (5%) of each installment due shall be imposed for any assessment or installment thereof not paid within five (5) days of the date due. If any such installment including any late charges remains unpaid for more than thirty (30) days from the date due, the Board of Administration will take prompt action to collect it in accordance with Section 5 hereof. Any payment received by the association shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment.

Section 3. Common Surplus If, in any taxable year, the net receipts of the Association from assessments and all other sources except casualty insurance proceeds and other nonrecurring items exceeds the sum of (a) total common expenses for which

payment has been made or liability incurred within the taxable year, and (b) reasonable reserves for common expenses and other liabilities in the next succeeding taxable year as may be determined by the Board of Administration, such excess shall be retained and allocated to a general reserve fund to be used for any lawful use.

Section 4. Liability for Assessments. All unit owners, regardless of how title is acquired, including a purchaser at a judicial sale, shall be obligated to pay the common charges assessed by the Board of Administration at the times set forth in these By-Laws. No unit owner may exempt himself from liability for any assessment for common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. However, no unit owner shall be liable for any assessment for common charges against his unit subsequent to a sale, transfer, or other conveyance by him of such unit made in accordance with the provisions of Paragraph 17 of the Declaration. Moreover, any owner of a unit that is free and clear of all liens and encumbrances other than a first mortgage and the statutory lien for unpaid common charges, may, subject to the provisions of these By-Laws, convey such unit to the Board of Administration or its designee, corporate or otherwise, as grantee on behalf of all other unit owners, and such conveyance shall exempt the owner from liability for any common charges assessed thereafter. In all voluntary conveyances of units, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of common expenses up to the time of the transfer of title, without prejudice to the grantee's right to recover over against the grantor for any amounts paid by the grantee. However, any such grantee, or any mortgagee shall be entitled, within fifteen (15) days after making request therefor, to a certificate from the Board of Administration, or the managing agent or manager, as the case may be, setting forth the amount of unpaid assessments pertaining to such unit. Pursuant to Section 718.116(6) of The Condominium Act, where the mortgagee of a first mortgage of record, or other purchaser of a unit, obtains title to such unit as a result of the foreclosure of the first mortgage, such acquirer of title and his successors and assigns, shall not be liable for the share of common expenses or assessments by the Association chargeable to such unit or chargeable to the former owner of such unit which became due prior to acquisition of title as a result of the foreclosure, unless the share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage. Any such unpaid share of common expenses or assessments shall be deemed common expenses collectible from all unit owners, including such acquirer, his successors and assigns. Nothing herein shall relieve a unit owner of liability for common expenses or assessments chargeable to his unit during his period of ownership.

Section 5. Default in Payment of Common Expenses. In the event a unit owner shall fail for thirty (30) days following the due date thereof, to pay to the Board of Administration the

common expenses assessed against his unit, such unit owner shall be deemed in default, all assessment installments for the balance of the calendar year shall be automatically accelerated and immediately due and payable, and the unit owner shall be obligated to pay interest on all unpaid assessments at the highest rate allowed by the laws of the State of Florida on such common charges from the due date thereof, together with all expenses, including reasonable attorneys' fees, incurred by the Board of Administration in any proceeding brought to collect the same, or to foreclose a lien for nonpayment thereof.

Section 6. Filing of Claim of Lien. An officer of the Association or its agent, as the case may be, shall file a claim of lien in the public records of Lee County, Florida, against each condominium parcel for which an unpaid assessment is in default; such lien shall describe the condominium parcel, state the name or names of the record owner, the amount due, and the due dates. A copy of the recorded lien, together with written notice of the Association's intention to foreclose such lien to collect the unpaid assessment, shall be sent by certified or registered mail, return receipt requested, to the unit owner at his last known address.

Section 7. Foreclosure of Liens for Common Expenses. It shall be the right and duty of the Board of Administration to attempt to recover unpaid common expenses, together with interest thereon, and expenses of the proceeding, including reasonable attorneys' fees, in an action brought against any unit owner in default on his obligation to pay the same, or by foreclosure of the lien on any condominium parcel in respect to which such default has occurred provided for by law. In any such foreclosure the unit owner shall be required to pay a reasonable rental for the unit for the period beginning with the initial default and ending with satisfaction of amounts secured by such lien from the proceeds of the foreclosure sale. Any unpaid common expenses remaining uncollectible for more than thirty (30) days after such foreclosure sale may be assessed by the Board of Administration as common expenses to be collected from all unit owners including the purchaser who acquires title at the sale, his successors and assigns. The Board of Administration shall have power to bid on and purchase any unit offered for sale at a foreclosure sale, and to acquire, hold, lease, mortgage, convey, or otherwise deal with the same. Suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of a suit to recover a money judgment.

Section 8. Payment and Satisfaction of Lien. Upon receipt of the payments due under the claim of lien, including interest, subsequently accruing unpaid assessments, costs, and attorney fees, the Treasurer of the Association or managing agent, as appropriate, shall provide the person making such payment, a satisfaction of lien in recordable form.

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Section 9. Settlement of Claims. The Board of Administration may in its sole determination, settle claims of liens and judgments for less than the full amounts due.

Section 10. Maintenance and Repair. a. Every owner shall promptly perform all maintenance and repair work within his own unit and any limited common elements appurtenant to his unit which, if omitted, would affect any owners, or the project as a whole, being expressly responsible for all damages and liabilities that any failure to repair or maintain may engender.

b. All maintenance, repairs, and replacements to the common elements, other than any limited common elements, whether located inside or outside individual units, shall be the responsibility of the Board of Administration and shall be charged to all unit owners as common expenses unless such maintenance, repairs, or replacements are necessitated by the negligence or misconduct of individual unit owners, in which case they shall be the responsibility of, and shall be charged to such individual unit owners.

c. Each unit owner shall be responsible for and reimburse the Association for any expenditures incurred in repairing or replacing any common element damaged through his fault.

Section 11. Uses of Units; Rules and Regulations The use of units and the common elements shall, in addition to being subject to all restrictions set forth in the Declaration, the Articles of Incorporation, and these By-Laws, be subject to restrictions set forth in rules and regulations to be promulgated and amended from time to time by the Board of Administration. Unit owners exercising a majority of the voting interests of the Association may revoke or modify a particular rule, or adopt a rule not contrary to the declaration, the articles, or these bylaws at any regular meeting or at a special meeting with notice. Any rule revoked, modified or adopted by the membership cannot be revived, revoked or modified by the Board of Administration for two (2) years thereafter. Copies of all such rules and regulations shall be furnished by the Board of Administration to each unit owner prior to their effective date.

Section 12. Modifications By Unit Owners. No unit owner shall make any structural addition or alteration to his unit, other than as specifically provided in Section 9.2 of the Declaration, without the prior written consent of the Board of Administration. On request by any unit owner for approval of a proposed addition or alteration, the board shall answer the same within thirty (30) days after receipt thereof, and failure to do so within the stipulated time shall constitute a consent. Any application to any governmental authority for a permit to make any addition or alteration to any unit shall be executed by the Board of Administration only. However, neither the Board nor any member thereof shall be liable to any contractor, subcontractor, or materialman, or to any person claiming injury to person or

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property as a result of such addition or alteration or the construction thereof.

Section 13. Right of Access to Units. The Association shall have, and shall exercise through the manager, managing agent, or other person or persons authorized by the Board of Administration a right of access to each unit from time to time during reasonable hours, to maintain, repair, or replace any common elements therein or accessible therefrom, or to make emergency repairs necessary to prevent damage to common elements or to any other unit or units, or to correct any condition violative of the provisions of any mortgage secured by any other unit. Requests for access shall be made in advance and shall be scheduled for times convenient to the owner except that, in case of emergency, right of access shall be immediate, and shall exist whether the unit owner is present at the time or not.

Section 14. Use of Common Elements. The common elements and limited common elements, if any, shall be used only for the purpose for which they are intended.

Section 15. Modifications by Board of Administration. Any addition or alteration in or to the common elements costing Ten Thousand Dollars (\$10,000.00) or less may be made by the Board of Administration without approval of unit owners or unit mortgagees, and the costs thereof shall be treated as common expenses. Whenever in the judgment of the Board of Administration the common elements require additions or alterations costing in excess of Ten Thousand Dollars (\$10,000.00). the making of such additions or alterations shall require the approval of the majority of unit owners at a meeting called for that purpose or at any meeting of unit owners provided that the notice of meeting placed the proposal on the agenda. After such approval has been obtained, the board shall proceed with the additions or alterations, and the costs thereof shall be treated as common expenses.

Section 16. Insurance. The Board of Administration, or the managing agent or manager, as the case may be, shall obtain and continue in effect such hazard and liability insurance policies complying with the provisions of Paragraph 13 of the Declaration. The premiums for such insurance shall be a common expense.

a. A copy of each policy of insurance in effect shall be made available for inspection by unit owners at reasonable times.

b. Any insurance obtained or maintained by the Board of Administration, managing agent, or manager, as the case may be, shall be without prejudice to the rights of unit owners to obtain and maintain such unit insurance as they see fit.

c. Insurance policies issued to individual unit owners shall provide that the coverage afforded by such policies is excess over the amount recoverable under any other policy

covering the same property without rights of subrogation against the Association.

d. Hazard insurance policies issued to protect condominium buildings carried by the Association, shall provide that the word "building" whenever used shall include, but shall not necessarily be limited to, fixtures, installations, 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. However, the word "building" shall not include floor coverings, wall coverings or ceiling coverings. With respect to this subsection, the unit owners shall be considered additional insured under the policy. Unit owners shall be responsible for obtaining any insurance to insure floor coverings, wall coverings, ceiling coverings, windows, sliding glass doors, screens, or any other walls, partitions, etc., not insured under policies maintained by the Association.

Section 17. Abatement of Violations. Violation of any provisions of the Declaration, a unit deed, these By-Laws, or any rule or regulation adopted pursuant hereto, shall give the Board of Administration, acting on behalf of all unit owners, the right, in addition to any other rights set forth herein:

a. To enter any unit in or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any thing or condition constituting such violation or breach, and the Board of Administration shall not be deemed guilty of trespass in so doing; or

b. To enjoin, abate, or remedy the continuance of such violation or breach by appropriate legal proceedings, or to bring an action for recovery of damages.

ARTICLE VI **Official Records**

Section 1. Records to be Maintained. From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which will constitute the official records of the Association:

a. The plans, permits, warranties and other items provided by the developer pursuant to 718.301(4);

b. A photocopy of the recorded Declaration of each condominium operated by the Association and all amendments thereto;

c. A photocopy of the recorded By-Laws of the Association and all amendments thereto;

d. A certified copy of the Articles of Incorporation of the Association and all amendments thereto;

e. A copy of the current rules of the Association;

f. A book or books containing the minutes of all meetings of the Association, of the Board of Administration, and of unit owners, which minutes shall be retained for a period of not less than seven (7) years;

g. A current roster of all unit owners, their mailing addresses, unit identification, voting certifications, and, if known, telephone numbers;

h. All current insurance policies of the Association and condominiums operated by the Association;

i. 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;

j. Bills of sale or transfer for all property owned by the Association;

k. 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 seven (7) years. The accounting records shall include, but not limited to: (1) itemized and detailed records of all receipts and expenditures; (2) A current account and a monthly, bi-monthly, or quarterly statement of the account for each unit designating the names of the unit owner, the due date and amount of each assessment, the amount paid upon the amount and the balance due; (3) All audits, reviews, accounting statements, and financial reports of the Association or condominium; (4) 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 one (1) year;

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

m. All rental records where the Association is acting as agent for the rental of condominium units;

n. A copy of the current Question and Answer Sheet as described by 718.504;

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

Section 2. Location of Records. The official records of the Association shall be maintained at the office of the Association or such other place within Lee County as the Board of Administration may direct.

Section 3. Open to Members. The official records of the Association shall be open to inspection by any Association member or the authorized representative for such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at reasonable expense, if any, of the Association member. The secretary shall insure that an adequate number of copies of the Declaration, Articles of Incorporation, Bylaws and Rules and all amendments to each of the foregoing as well as the Question and Answer Sheet are maintained for purchase by unit owners and prospective purchasers at cost.

Section 4. Source of Records. The Association shall make all reasonable efforts to obtain any and all of the above records, as appropriate, from the Developer or from any other person or entity having possession of such records. The secretary shall prepare the Question and Answer Sheet described in 718.504 and shall update it annually.

ARTICLE VII **Arbitration of Disputes**

Section 1. Mandatory Arbitration. Should an internal dispute arise regarding the operation of the condominium among unit owners, the Association, their agents and assigns, the disputing parties are encouraged to seek voluntary mediation through Citizen Dispute Settlement Centers as provided by 44.201. Prior to institution of court litigation, the parties shall submit their dispute to mandatory nonbinding arbitration as provided by 718.225.

Section 2. Limits on Arbitration. Matters which may be arbitrated are internal matters regarding the operation of the condominium. Disputes involving the share or percentage interest in the common elements and the common surplus, and the sharing of common expenses is not subject to arbitration. Any ruling in contravention of these provisions shall be void.

Section 3. Expenses Each party to the dispute shall pay his own costs of arbitration.

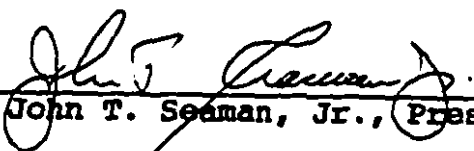
ARTICLE VIII **Conflicts**

Section 1. Compliance with Law. These By-Laws are intended to comply with the requirements of, and are promulgated pursuant to Chapter 718, Florida Statutes, as amended, on the date of execution of the Declaration of Condominium. If these By-Laws or any provisions thereof are so construed as to be in conflict with the provisions of such statute, or of the Declaration to which

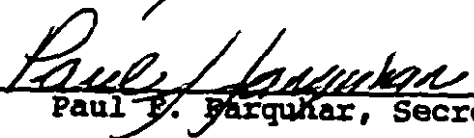
they are attached, the provision of such statute or of the Declaration, or of the Articles of Incorporation, as the case may be, shall control.

Section 2. Severability. If any provision of these By-Laws shall be found to be in conflict with applicable law, or superior documents as provided in Section 1 above, such conflict shall not affect other provisions of these By-Laws which can be given effect without the conflict in provision, and to this end the provision of these By-Laws are declared to be severable.

Approved this 3 day of February, 1992.



John T. Seaman, Jr., President



Paul P. Barquhar, Secretary

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