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Public Records of
St. Johns County, FL
Clerk# 98031972
O.R. 1334 PG 1060
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Certificate of Amendment
as to the complete restatement of the
Declaration of Condominium, Articles of Incorporation, and Bylaws
of

**Quail Hollow on the Ocean, South,
a Condominium**

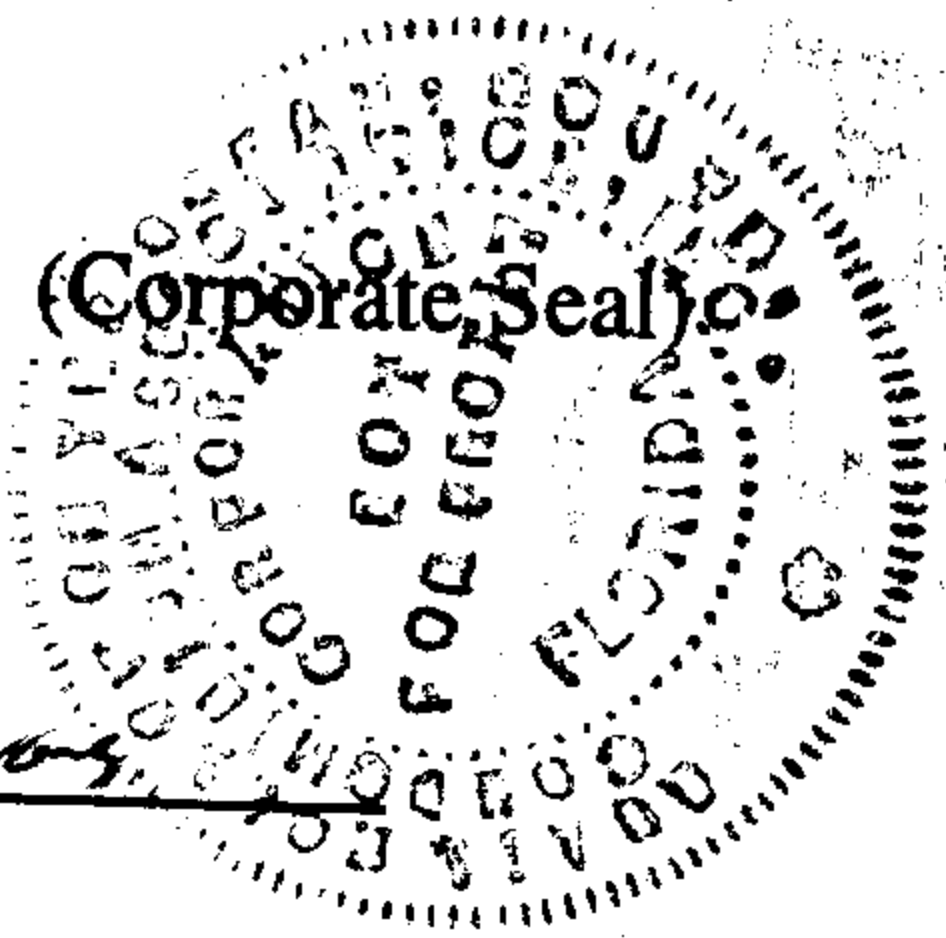
We hereby certify that, at the 1998 annual meeting of Quail Hollow on the Ocean, South, Condominium Association, Inc. held on May 16, 1998 held at Beacher's Lodge at 6970 A1A South, St. Augustine, Florida, the complete restatement of the Declaration of Condominium, Articles of Incorporation and Bylaws attached hereto and made a part hereof (said Declaration of Condominium being originally recorded in Official Records Book 249 at Page 102 of the Public Records of St. Johns County, Florida and as thereafter amended) received sufficient affirmative votes to pass the amendments as required by Article IX of the Declaration, Article IX of the Articles of Incorporation, and Paragraph 11 of the Bylaws of the condominium; and that as a result of the foregoing, and proper notice having been given, said amendments have been duly adopted pursuant to the aforementioned provisions of the governing documents of the condominium.

In witness whereof, we have hereunto affixed our hands and the seal of said corporation, this 17th day of July, 1998, at St. Augustine, Florida.

Quail Hollow on the Ocean, South, Condominium Association, Inc.

By *G. Mayers*
George Mayers, President

Attest: *Samuel Thomas*
Samuel Thomas, Secretary



ACKNOWLEDGMENT

**STATE OF FLORIDA
COUNTY OF ST. JOHNS**

The foregoing Certificate of Amendments was acknowledged before me by the President of the Association, **George Mayers** who is personally known to me and the Secretary of the Association, **Samuel Thomas** who is personally known to me, who both personally appeared before me, after being duly sworn, on oath, severally certified and acknowledged executing the foregoing under the authority duly vested in them by the Association for the purposes and reasons therein expressed, and the Secretary who attested to the validity of the foregoing on behalf of the aforementioned Association. Witness my hand and seal this - 17th - day of July, 1998.

Linda S. Chapman
Notary Public, State of Florida
My Commission Expires:

This instrument was prepared by:
John R. Geiger, P.A.
John R. Geiger, Esq.
4475 US 1 South #406
St. Augustine, FL 32086

IN & RETURN:
Quail Hollow on the Ocean, South
6300 A1A South
St. Augustine, FL 32084

**NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE DECLARATION.
FOR PRESENT TEXT SEE EXISTING DECLARATION OF CONDOMINIUM.**

**AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
OF
Quail Hollow on the Ocean, South,
a Condominium**

On the 8th day of March 1974, the original Declaration of Condominium of **Quail Hollow on the Ocean, South, a Condominium**, (hereinafter the "Condominium") was recorded in Official Record Book 249, at Page 102, et seq., of the Public Records of St. Johns County, Florida. That Declaration of Condominium, as it has previously been amended, is hereby further amended in part and is restated in its entirety.

1. SUBMISSION TO CONDOMINIUM OWNERSHIP:

This Amended and Restated Declaration of Condominium is made by Quail Hollow on the Ocean, South, Condominium Association, Inc., a Florida corporation not for profit, hereinafter the "Association." The land subject to this Declaration and the improvements located thereon have already been submitted to condominium ownership and use pursuant to the Florida Condominium Act. No additional property is being submitted to condominium ownership by this Declaration. The covenants and restrictions contained in this Declaration shall run with the land and be binding upon and inure to the benefit of all present and future owners of Condominium parcels. The acquisition of title to a unit or any other interest in the Condominium property, or the lease, occupancy, or use of any portion of a unit or the Condominium property, constitutes an acceptance and ratification of all provisions of this Declaration as amended from time to time, and an agreement to be bound by its terms.

2. NAME AND ADDRESS: The name of this Condominium is Quail Hollow on the Ocean, South, a Condominium, and its street address is 6300 Route A1A South, Crescent Beach, St. Johns County, Florida.

3. DESCRIPTION OF CONDOMINIUM PROPERTY:

The land submitted to the condominium form of ownership by the original Declaration (hereinafter the "Land") is legally described in Section I(b) of the original declaration as recorded at Official Record 249 Page 104 of the Public Records of St. Johns County, Florida, and as amended in the First Amendment to the Declaration at Official Record 338 Page 488 of the Public Records of St. Johns County, Florida which description, as amended, is hereby incorporated by reference.

4. DEFINITIONS: The terms used in this Declaration and its exhibits shall have the meanings stated below and in Chapter 718, Florida Statutes, (The "Condominium Act"), unless the context otherwise requires.

4.1. "Airspace" That space lying within defined boundaries.

4.2. "Apartment" has the same meaning as the term "unit" as defined in the Condominium Act.

4.3. "Assessment" means a share of the funds required for the payment of common expenses which from time to time is assessed against the units.

4.4. "Association" means Quail Hollow on the Ocean, South, Condominium Association, Inc., a Florida corporation not for profit, its successors or assigns. The association is the entity responsible for the operation of this Condominium.

4.5. "Association property" means all property, real or personal, owned or leased by the Association for the use and benefit of the unit owners.

4.6. "Board of Directors" or "Board" means the representative body which is responsible for the administration of the Association's affairs, and is the same body referred to in the Condominium Act as the "Board of Administration".

4.7. "Board Meeting" means any gathering of the members of the board of directors, at which a quorum of the board members is present, for the purpose of conducting association business.

4.8. "Charge" or "Special Charge". The obligation of a unit owner to pay or reimburse money to the Association that cannot be secured as an assessment pursuant to F.S. 718.116, but which will, if the charge is not paid, give rise to a cause of action against the unit owner pursuant to this declaration.

4.9. "Committee" means a group of board members, unit owners, or board members and unit owners appointed by the board or a member of the board to make recommendations to the board regarding the association budget or take action on behalf of the board.

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

4.11. "Condominium Act" means Chapter 718, Florida Statutes, as it is amended from time to time.

4.12. "Condominium Documents" means and includes this Declaration and all recorded exhibits hereto, as amended from time to time.

4.13. "Condominium Parcel" means a unit, together with the undivided share in the common elements which is appurtenant to the unit.

4.14. "Condominium property" means the lands, leaseholds, and personal property that are subjected to condominium ownership, whether or not contiguous, and all

improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the condominium.

4.15. "Family" or "Single Family" shall refer to any one of the following:

- (A) One natural person.
- (B) Two or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage or adoption to each of the others.
- (C) Two or more natural persons meeting the requirements of 4.15.(B) above, except that there is among them one person who is not related to some or all of the others.

4.16. "Guest" means any person who is not the unit owner or a lessee or a member of the owner's or lessee's family, who is physically present in, or occupies the unit on a temporary basis at the invitation of the owner or other legally permitted occupant, without the payment of consideration.

4.17. "Institutional Mortgagee" means the mortgagee (or its assignee) of a mortgage against a Condominium parcel, which mortgagee is a bank, savings and loan association, mortgage company, insurance company, real estate or mortgage investment trust, pension or profit sharing trust, the Federal Housing Administration, the Veterans Administration, or any agency of the United States of America. The term also refers to any holder of a mortgage against a Condominium parcel which mortgage is guaranteed or insured by the Federal Housing Administration, the Veterans Administration, any agency of the United States of America, or by any other public or private corporation engaged in the business of guaranteeing or insuring residential mortgage loans, and their successors and assigns.

4.18. "Lease" means the grant by a unit owner of a temporary right of use of the owner's unit for valuable consideration.

4.19. "Limited Common Elements" means and includes those common elements which are reserved for the use of a certain unit or units to the exclusion of other units.

4.20. "Occupy", when used in connection with a unit, means the act of staying overnight in a unit. **"Occupant"** is a person who occupies a unit.

4.21. "Owner" has the same meaning as the term "unit owner" as defined in the Condominium Act, except that for purposes of interpreting use and occupancy restrictions related to units, in cases where a primary occupant has been designated for a unit because of its ownership, the word "owner" refers to the primary occupant and not the record owner.

4.22. "Primary Institutional Mortgagee" means that institutional mortgagee which, at the time a determination is made, holds first mortgages on more units in the Condominium than any other institutional mortgagee, such determination to be made by reference to the number of units encumbered, and not by the dollar amount of such mortgages.

4.23. "Primary Occupant" means the natural person approved for occupancy when title to a unit is held in the name of two or more persons who are not husband and wife, or by a trustee or a corporation or other entity which is not a natural person.

4.24. "Rules and Regulations" means those rules and regulations promulgated by the Board of Directors, governing the use of the units, common elements, limited common elements, common areas and the operation of the Association.

4.25. "Voting Interest" means and refers to the arrangement established in the condominium documents by which the owners of each unit collectively are entitled to one vote in Association matters. There are 102 units, and the total number of voting interests is 102.

5. DESCRIPTION OF IMPROVEMENTS; SURVEY AND PLANS:

5.1. Survey and Plot Plans. Attached to the original declaration as Exhibits "A" and "B", and thereafter amended in the first amended declaration at OR 338 PG 488, incorporated by reference herein, are surveys of the Land and plot plans, which graphically describe the improvements in which units are located, and which show all the units, including their identification numbers, locations and approximate dimensions and the common elements and limited common elements. Together with this Declaration, the exhibits are in sufficient detail to identify each unit, the common elements and limited common elements, and their relative locations and dimensions.

5.2. Unit Boundaries. Each unit shall include that part of the building that lies within the following boundaries:

(A) **Upper and Lower Boundaries.** The upper and lower boundaries of the unit shall be the following boundaries extended to their intersections with the perimeter boundaries:

(A)1. **Upper Boundaries.** The horizontal plane of the unfinished lower surface of the ceiling of the unit.

(A)2. **Lower Boundaries.** The horizontal plane of the unfinished upper surface of the floor of the unit.

(B) **Perimeter Boundaries.** The perimeter boundaries of the unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the unit as shown in the first amended Exhibit "B" referenced above, extended to their intersections with each other and with the upper and lower boundaries.

(C) **Interior Walls.** No part of the non-structural interior partition walls within an apartment shall be considered part of the boundary of a unit.

(D) **Apertures.** Where there are openings in any boundary, including, without limitation, windows, and doors, the boundaries of the unit shall extend to the exterior unfinished surfaces of the coverings of such openings, their frameworks, and hardware inside the rough opening thereof. Therefore, windows, doors, screens and all framings, casings and hardware therefor, are included within the unit.

(E) In cases not specifically covered in this Section 5.2, or in any case of conflict or ambiguity, the graphic

depictions of the unit boundaries set forth in the first amended Exhibit "B" shall control in determining the boundaries of a unit, except the provisions of Section 5.2.(D) above shall control over the first amended Exhibit "B". Nothing herein shall be construed as purporting to change the boundaries of the units as provided in the original Declaration.

6. CONDOMINIUM PARCELS; APPURTENANCES AND USE:

6.1. Shares of Ownership. The Condominium contains 102 units. The owner of each unit shall also own a 1/102 undivided share in the common elements and the common surplus.

6.2. Appurtenances to Each Unit. The owner of each unit shall have certain rights and own a certain interest in the Condominium property, including without limitation the following:

(A) An undivided ownership share in the Land and other common elements and the common surplus, as specifically set forth in Section 6.1 above.

(B) Membership and voting rights in the Association, which shall be acquired and exercised as provided in the Amended and Restated Articles of Incorporation and Bylaws of the Association, attached hereto as Exhibits "A" and "B", respectively.

(C) The exclusive right to use the limited common elements reserved for the unit, and the right to use the common elements.

(D) 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.

(E) Other appurtenances as may be provided in this Declaration and its exhibits.

Each unit and its appurtenances constitutes a "condominium parcel".

6.3. Use and Possession. A unit owner is entitled to exclusive use and possession of his unit. He is entitled to use the common elements in accordance with the purposes for which they are intended, but no use of the unit or of the common elements may unreasonably interfere with the rights of other unit owners or other persons having rights to use the Condominium property. No unit may be subdivided. The use of the units, common elements and limited common elements shall be governed by the Condominium documents and by the rules and regulations adopted by the Board of Directors, as provided in the Bylaws.

7. COMMON ELEMENTS; EASEMENTS:

7.1. Definition. The term "common elements" means all of the property submitted to condominium ownership that is not

within the unit boundaries set forth in Section 5.2 above. The common elements include without limitation the following:

(A) The Land.

(B) All portions of the buildings and other improvements outside the units, including all limited common elements.

(C) Easements through each unit for conduits, ducts, plumbing, wiring, and other facilities for furnishing utility services to other units or the common elements.

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

(E) The fixtures and installations required for access and utility services to more than one unit or to the common elements.

7.2. Easements. Each of the following easements and easement rights is reserved through the Condominium property and is a covenant running with the land of the Condominium, and notwithstanding any of the other provisions of this Declaration, may not be revoked and shall survive the exclusion of any land from the Condominium. None of these easements may be encumbered by any leasehold or lien other than those on the Condominium parcels. Any lien encumbering these easements shall automatically be subordinate to the rights of unit owners with respect to such easements.

(A) Utility and other Easements. The Association has the power, without the joinder of any unit owner, to grant, modify or move easements such as electric, gas, cable television, or other utility, service or access easements, or relocate any existing easements, in any portion of the common elements or Association property, and to grant easements or relocate any existing easements in any portion of the common elements or Association property, as the Association shall deem necessary or desirable for the proper operation and maintenance of the Condominium. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the use of the units. The Association may also transfer title to utility-related equipment or installations, and take any other action reasonably necessary to satisfy the requirements of any utility company or governmental agency to which any such utility-related equipment or installations are to be so transferred.

(B) Encroachments. If for any reason other than the intentional act of the unit owner or the Association, any unit encroaches upon any of the common elements or upon any other unit, or any common element encroaches upon any unit, then an easement shall exist to the extent of that encroachment as long as the encroachment exists.

(C) Ingress and Egress. A non-exclusive easement shall exist in favor of each unit owner and occupant, their respective guests, tenants, licensees and invitees 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 or intended for such purposes, and for purposes of ingress and egress to the public ways.

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

7.3. Restraint Upon Separation and Partition. The undivided share of ownership in the common elements and common surplus appurtenant to a unit cannot be conveyed or encumbered separately from the unit and shall pass with the title to the unit, whether or not separately described. As long as the Condominium exists, the common elements cannot be partitioned. The shares in the funds and assets of the Association cannot be assigned, pledged or transferred except as an appurtenance to the units.

8. LIMITED COMMON ELEMENTS:

8.1. Description of Limited Common Elements. Certain common elements have been reserved for the use of a particular unit or units, to the exclusion of the other units. The limited common elements and the units to which their exclusive use is appurtenant, are as described in this Declaration and its recorded exhibits. The following common elements are hereby designated as limited common elements:

(A) Parking Spaces. The Association may designate from time to time certain space for the exclusive use of specific units. The cost of maintenance of all parking spaces shall be a common expense.

(B) Stairs. Any stairways, stairwells and railings which are attached to and which exclusively serve particular units are limited common elements for the exclusive use of the units which they serve. The maintenance, repair and replacement thereof shall be the responsibility of the Association and shall be a common expense.

(C) Air Conditioning and Heating Equipment. All equipment, fixtures and installations located outside of a unit, which furnish air conditioning or heating exclusively to that unit, shall be limited common elements, and shall be maintained, repaired and replaced by, and solely at the expense of, the owner of the unit.

(D) Balconies, Patios and Porches. Any balcony, patio or porch attached to and serving exclusively a unit shall be a limited common element. The unit owner shall be responsible for day-to-day cleaning and care, but all painting and maintenance of the exterior surfaces and structures of the building shall be the responsibility of the Association and shall be a common expense. No balcony, patio or porch may be

carpeted, covered or enclosed in any way without the prior written approval of the Board of Directors. The maintenance, repair, replacement and insurance of such approved carpeting, covering or enclosure shall be the responsibility of the unit owner. No carpeting of any kind or description may be installed over concrete floors exposed to the elements.

(E) Others. Any part of the common elements that is connected to or exclusively serves a single unit, and is specifically required in Section 11 of this Declaration to be maintained, repaired or replaced by or at the expense of the unit owner, shall be deemed a limited common element appurtenant to that unit, whether specifically described above or not. Note: This paragraph does NOT include windows, screens and doors, including all hardware and framings therefor which are defined as part of the unit in Section 5.2(D).

8.2. Exclusive Use; Transfer of Use Rights. The exclusive use of a limited common element is an appurtenance to the unit or units to which it is designated or assigned. If after all of the units have been sold the exclusive use of any assignable limited common element was not, for any reason, assigned to the use of a specific unit or units by the Developer, the Association may do so. The right of exclusive use of each limited common element passes with the unit to which it is assigned, whether or not separately described, and cannot be separated from it.

8.3. Maintenance, Repair and Replacement of Certain Limited Common Elements. The limited common elements described in Section 8 above are available only to certain units, and not to all units generally. In order to provide for efficient, effective, and uniform maintenance of these limited common elements, all maintenance, repairs and replacements shall be by the Association, but the expense thereof shall be borne only by the units having the use of those limited common elements (see Section 11). The share of each such unit of these expenses, including the funds necessary to maintain adequate reserves for these expenses, shall be a fraction, the numerator of which is the number "one" and the denominator of which is the total number of units having the exclusive use of the limited common element.

9. ASSOCIATION: The operation of the Condominium is by Quail Hollow on the Ocean, South, Condominium Association, Inc., a Florida corporation not for profit, which shall perform its function pursuant to the following:

9.1. Articles of Incorporation. A copy of the Amended and Restated Articles of Incorporation of the Association is attached as Exhibit "A," as they may be amended from time to time.

9.2. Bylaws. The Bylaws of the Association shall be the Amended and Restated Bylaws attached as Exhibit "B", as they may be amended from time to time.

9.3. Delegation of Management. The Association may contract for the management and maintenance of the Condominium property and employ a licensed manager or management company to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, keeping of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds made available by the Association for such purposes. The Association and its officers however, shall retain at all times the powers and duties provided in the Condominium Act.

9.4. Membership. The membership of the Association shall be the record owners of legal title to the units, as further provided in the Bylaws.

9.5. Acts of the Association. Unless the approval or affirmative vote of the unit owners is specifically made necessary by some provision of the Condominium Act or these Condominium documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board of Directors, without a vote of the unit owners. The officers and Directors of the Association have a fiduciary relationship to the unit owners. A unit owner does not have the authority to act for the Association by reason of being a unit owner.

9.6. Powers and Duties. The powers and duties of the Association include those set forth in the Condominium Act and the Condominium documents. The Association may contract, sue, or be sued with respect to the exercise or nonexercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management, and operation of the Condominium property and Association property. The Association may impose fees for the use of common elements or Association property. The Association has the power to enter into agreements to acquire leaseholds, memberships and other ownership, possessory or use interests in lands or facilities, regardless of whether the lands or facilities are contiguous to the lands of the Condominium.

9.7. Official Records. The Association shall maintain its Official Records as required by law. The records shall be open to inspection by members or their authorized representatives at all reasonable times. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the member seeking copies.

9.8. Purchase of Units. The Association has the power to purchase one or more units in the Condominium, and to own, lease, mortgage, or convey them, such power to be exercised by the Board of Directors.

9.9. Acquisition of Property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as otherwise provided in Section 9.8 above,

the power to acquire ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the voting interests.

9.10. Disposition of Property. Any property owned by the Association, whether real, personal or mixed, may be mortgaged, sold, leased or otherwise encumbered or disposed of by the same authority as would be required to acquire it under Sections 9.8 and 9.9 above.

9.11. Roster. The Association shall maintain a current roster of names and mailing addresses of unit owners, based upon information supplied by the unit owners. A copy of the roster shall be made available to any member upon request.

9.12. Limitation on Liability. Notwithstanding its duty to maintain and repair Condominium or Association property, the Association shall not be liable to individual unit owners for personal injury or property damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or unit owners or other persons.

9.13. Member Approval of Certain Litigation. Notwithstanding any other provisions of the Condominium documents, the Board of Directors shall be required to obtain the prior approval of at least a majority of the voting interests prior to the payment of, or contracting for the payment of, legal fees to any person engaged by the Association for the purpose of commencing any lawsuit, other than for the following purposes:

- (A) the collection of assessments;
- (B) the collection of other charges which owners are obligated to pay;
- (C) the enforcement of the use and occupancy restrictions applicable to the Condominium;
- (D) the enforcement of any restrictions on the sale, lease and other transfer of units;
- (E) in an emergency, when waiting to obtain the approval of the members creates a substantial risk of irreparable injury to the Association or its members; or
- (F) filing a compulsory counterclaim.

10. ASSESSMENTS AND LIENS: The Association has the power to levy and collect assessments against each unit and unit owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Association. This power includes both "regular" assessments for each unit's share of the common expenses as set forth in the annual budget, and "special" assessments for unusual, nonrecurring or unbudgeted common expenses. The Association may also levy special charges against any individual unit for any amounts, other than for common expenses, which are properly chargeable against such unit under this Declaration or the Bylaws. Assessments shall

be levied and payment enforced as provided in the Bylaws, and as follows:

10.1. Common Expenses. Common expenses include the expenses of operation, maintenance, repair, replacement and insurance of the common elements and Association property, the expenses of operating the Association, and any other expenses properly incurred by the Association for the Condominium, including amounts budgeted for the purpose of funding reserve accounts. The cost of water and sewer service to the units shall be a common expense. If the Board of Directors contracts for pest control within units or basic cable television programming services in bulk for the entire Condominium, the cost of such services shall be a common expense.

10.2. Share of Common Expenses. The owner of each unit shall be liable for a share of the common expenses equal to his share of ownership of the common elements and the common surplus, as set forth in Section 6.1 above.

10.3. Ownership. Assessments and other funds collected by or on behalf of the Association become the property of the Association; no unit owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his unit. No owner can withdraw or receive distribution of his share of the common surplus, except as otherwise provided herein or by law.

10.4. Who is Liable for Assessments. The owner of each unit, regardless of how title was acquired, is liable for all assessments or installments thereon coming due while he is the owner. Multiple owners are jointly and severally liable. Except as provided in Section 20.3 below as to certain first mortgagees, whenever title to a Condominium parcel is transferred for any reason, the new owner becomes jointly and severally liable with the previous owner for all assessments which came due prior to the transfer and remain unpaid, without prejudice to any right the new owner may have to recover from the previous owner any amounts paid by the new owner.

10.5. No Waiver or Excuse from Payment. The liability for assessments may not be avoided or abated by waiver of the use or enjoyment of any common elements, by abandonment of the unit on which the assessments are made, or by interruption in the availability of the unit or the common elements for any reason whatsoever. No unit owner may be excused from payment of his share of the common expenses unless all unit owners are likewise proportionately excused from payment, except as otherwise provided in Section 20.3 below as to certain first mortgagees.

10.6. Application of Payments; Failure to Pay; Interest. Assessments and installments thereon paid on or before ten (10) days after the date due shall not bear interest, but all sums not so paid shall bear interest at the highest rate allowed by law (currently eighteen percent (18%) per annum),

calculated from the date due until paid. The Association may also impose a late payment fee (in addition to interest) to the extent permitted by law (currently the greater of twenty-five dollars (\$25.00) or five percent (5%) of each installment of the assessment for each delinquent installment that payment is late). Assessments and installments thereon shall become due, and the unit owner shall become liable for said assessments or installments, on the date established in the Bylaws or otherwise set by the Board of Directors for payment. All payments on account shall be applied first to interest, then to late payment fees, court costs and attorney's fees, and finally to delinquent assessments. No payment is deemed received until it has cleared.

10.7. Acceleration. If any special assessment or installment of a regular assessment as to a unit is unpaid thirty (30) days after the due date, and a Claim of Lien is recorded, the Association shall have the right to accelerate the due date of the entire unpaid balance of the unit's assessments for that fiscal year. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the public records. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorneys' fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent owner a notice of the exercise, which notice shall be sent by certified or registered mail to the owner's last known address, and shall be deemed given upon mailing of the notice, postpaid. The notice may be given as part of the notice of intent to foreclose, as required by Section 718.116 of the Condominium Act, or may be sent separately.

10.8. Liens. The Association has a lien on each Condominium parcel securing payment of past due assessments, including interest and attorney's fees and costs incurred by the Association incident to the collection of the assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit. Said lien cannot secure fines, charges or other fees. The lien is perfected upon recording a Claim of Lien in the Public Records of St. Johns County, Florida, stating the description of the Condominium parcel, the name of the record owner, the assessments past due and the due dates. The lien is in effect until barred by law. The Claim of Lien secures all unpaid assessments coming due prior to a final judgment of foreclosure. Upon full payment, the person making the payment is entitled to a satisfaction of the lien.

10.9. Priority of Lien. The Association's lien for unpaid assessments shall be subordinate and inferior to the lien of a recorded first mortgage, but only to the extent required by the Condominium Act. The Association's lien shall be superior to, and take priority over, any other mortgage or lien regardless of when the mortgage or lien was recorded, except as otherwise expressly provided by the Condominium Act, as amended from time to time. Any lease of a unit shall be subordinate and

inferior to the Association's lien, regardless of when the lease was executed.

10.10. Foreclosure of Lien. The Association may bring an action in its name to foreclose its lien for unpaid assessments in the manner provided in the Condominium Act, and may also bring an action to recover a money judgment for the unpaid assessments without waiving any lien rights.

10.11. Certificate As To Assessments. Within fifteen (15) days after request by a unit owner or mortgagee, the Association shall provide a certificate (sometimes referred to as an "estoppel letter") stating whether all assessments and other monies owed to the Association by the unit owner with respect to the Condominium parcel have been paid. Any person other than the owner who relies upon such certificate shall be protected thereby.

11. MAINTENANCE; LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS: Responsibility for the protection, maintenance, repair and replacement of the Condominium property, and restrictions on its alteration and improvement shall be as follows:

11.1. Association Maintenance. The Association is responsible for the protection, maintenance, repair and replacement of all common elements and Association property (other than the limited common elements that are required elsewhere herein to be maintained by the unit owner). The cost is a common expense. The Association's responsibilities include, without limitation:

- (A) Electrical wiring up to the circuit breaker panel in each unit.
- (B) Rough plumbing.
- (C) All installations, fixtures and equipment located within one unit but serving another unit, or located outside the unit, for the furnishing of utilities to more than one unit or the common elements.
- (D) All exterior building walls and concrete slabs.
- (E) The main water supply shut-off valves for units.
- (F) All drywall, lath, plasterboard, furring and similar materials in the perimeter walls and ceilings of the unit.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a unit and serving only that unit unless such work can only be reasonably accomplished by gaining access to an adjacent unit. All incidental damage caused to a unit or limited common elements by work performed or ordered to be performed by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition made

by a unit owner without prior Association approval as required elsewhere herein, nor shall the Association be responsible for repair or restoration costs if the need for the work was caused by the negligence of any owner, nor shall the Association be responsible for unavoidable damage to surface treatments or decorations.

11.2. Unit Owner Maintenance. Each unit owner is responsible, at his own expense, for all maintenance, repairs, and replacements of his own unit and certain limited common elements. The owner's responsibilities include, without limitation:

- (A) Maintenance, repair and replacement of screens, windows and window glass.
- (B) The entrance door to the unit and its interior and exterior surfaces and all other doors within or affording access to the unit.
- (C) The electrical, mechanical and plumbing fixtures, switches, valves, drains and outlets (including connections) located partially or entirely within the unit or serving only the unit.
- (D) The circuit breaker panel and all electrical wiring going into the unit from the panel.
- (E) Appliances, water heaters, smoke alarms and vent fans.
- (F) All air conditioning, and heating equipment, thermostats, ducts and installations serving the unit exclusively.
- (G) Carpeting and other floor coverings.
- (H) Door and window hardware and locks.
- (I) Shower pans.
- (J) The main water supply shut-off valve and all other water shut-off valves within the unit.
- (K) Other facilities or fixtures which are located or contained entirely within the unit and serve only the unit.
- (L) All interior, partition walls which do not form part of the boundary of the unit.

11.3. Other Unit Owner Responsibilities:

(A) **Balconies, Patios and Porches.** Where a limited common element consists of a balcony, patio or porch area, the unit owner who has the right of exclusive use of the area shall be responsible for the day-to-day cleaning and care of the walls, floor and ceiling bounding said area, if any; and all fixed glass and sliding glass doors in portions of the entrance way to said area, if any; and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs.

(B) **Interior Decorating.** Each unit owner is responsible for all decorating within his own unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

(C) **Flooring.** All units above the ground floor shall always have the floors covered with wall-to-wall carpeting installed over high quality padding, except carpeting is not required in kitchens, bathrooms, laundry rooms,

entranceway and hallways. An owner who desires to install in place of carpeting any hard-surface floor covering (e.g. marble, slate, ceramic tile, parquet) shall also install a sound absorbent underlayment or other materials of such kind and quality as to substantially reduce the transmission of noise to adjoining units, and must obtain written approval of the Board of Directors prior to any such installation. If the installation is made without prior approval the Board may, in addition to exercising all the other remedies provided in this Declaration, require the unit owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending unit owner. No carpeting of any kind may be installed on or affixed to surfaces exposed to the elements. Regardless of the above, the board may require additional floor coverings in some areas due to excessive noise.

(D) Window Coverings. The covering and appearance of windows and doors, whether by draperies, shades, reflective film or other items, whether installed within or outside of the unit, visible from the exterior of the unit, shall be subject to the rules and regulations of the Association.

(E) Modifications and Alterations. If a unit owner makes any modifications, installations or additions to his unit or the common elements, the unit owner, and his successors in title, shall be financially responsible for the insurance, maintenance, repair and replacement of the modifications, installations or additions, as well as the costs of repairing any damage to the common elements or other units resulting from the existence of such modifications, installations or additions, and the costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium property.

(F) Use of Licensed and Insured Contractors. Whenever a unit owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the unit or common elements, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that his contractor(s) are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.

11.4. Alteration of Units or Common Elements by Unit Owners. No owner shall make or permit the making of any material alterations or substantial additions to his unit or the common elements, or in any manner change the exterior appearance of any portion of the Condominium, without first obtaining the written approval of the Board of Directors, which approval may be denied if the Board of Directors determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the Condominium in part or in whole. Any glass, screen, curtain, blind, shutter, awning, or other modifications, additions or installations which

may be installed where visible from outside the unit, are subject to regulation by the Board of Directors. No owner may alter the landscaping of the common elements in any way without prior Board approval. The Board of Directors may revoke or rescind any approval of an alteration or modification previously given, if it appears that the installation has had unanticipated, adverse effects on the Condominium.

11.5. Alterations and Additions to Common Elements and Association property. The protection, maintenance, repair, insurance and replacement of the common elements and Association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the common elements or the real property owned by the Association costing more than \$5000 in the aggregate in any calendar year without prior approval of at least 51% of those voting interests present and voting at a duly called meeting of the voting interests. Alterations or additions costing less than this amount may be made with Board approval. If work reasonably necessary to protect, maintain, repair, replace or insure the common elements or Association property also constitutes a material alteration or substantial addition to the common elements, no prior unit owner approval is required.

11.6. Enforcement of Maintenance. If after reasonable notice the owner of a unit fails to maintain the unit or its appurtenant limited common elements as required above, the Association may institute legal proceedings to enforce compliance, or may take any and all other lawful actions to remedy such violation, including but not limited to, entering the unit, with or without notice to or consent of the tenant or unit owner, to repair, replace, or maintain any item which in the business judgment of the Board of Directors may constitute a health or safety hazard to other property or residents. Any expenses incurred by the Association in performing work within the unit as authorized by this Declaration shall be charged to the unit owner, together with reasonable attorney's fees and other expenses of collection, if any.

11.7. Negligence; Damage Caused by Condition in Unit. The owner of each unit shall be liable for the expenses of any maintenance, repair or replacement of common elements, other units, or personal property made necessary by his act or negligence, or by that of any member of his family or his guests, employees, agents, or tenants. Each unit owner has a duty to maintain his unit, any limited common element appurtenant to the unit (except those limited common elements required to be maintained by the Association. See Sections 8 and 11), and personal property therein in such a manner as to prevent reasonably preventable damage to other units, the common elements or the property of other owners and residents. If any condition, defect or malfunction, resulting from the owner's failure to perform this duty causes damage to other units, the common elements, Association property or property within other units, the owner of the offending unit shall be liable to the person or entity responsible for repairing the damaged property for all costs of repair or replacement not

paid by insurance. If one or more of the units involved is not occupied at the time the damage is discovered, the Association may enter the unit without prior notice to the owner and take reasonable action to mitigate damage or prevent its spread. The Association may, but is not obligated to, repair the damage with the prior consent of the owner. Any costs incurred by the Association under the terms of this Section shall be the responsibility of the owner, and the costs shall be secured as a charge.

11.8. Association's Access to Units. The Association has an irrevocable right of access to the units for the purposes of protecting, maintaining, repairing and replacing the common elements or portions of a unit to be maintained by the Association under this Declaration, and as necessary to prevent damage to one or more units. The Association's right of access includes, without limitation, entry for emergency situations such as, but not limited to fire, damaging water flow from any source, entry for purposes of pest control and preventive maintenance of safety equipment such as smoke alarms as well as the right, but not the duty, to enter under circumstances where the health or safety of residents may be endangered. The exercise of the Association's rights of access to the unit shall be accomplished with due respect for the rights of occupants to privacy and freedom from unreasonable annoyance, as well as with appropriate precautions to protect the personal property within the unit. The Association shall retain a pass-key to all units and take reasonable care to safeguard such keys against unauthorized use. If it does, no unit owner shall alter any lock, nor install a new lock, which prevents access when the unit is unoccupied, unless the unit owner provides a key to the Association. If the Association is not given a key, the unit owner shall pay all costs incurred by the Association in gaining entrance to the unit, as well as all damage to his unit caused by gaining entrance thereto, and all damage resulting from delay in gaining entrance to his unit caused by the unavailability of a key.

11.9. Pest Control. The Association may supply pest control services for the inside of each unit, with the cost thereof being part of the common expenses. An owner has the option to decline such service unless the Association determines that such service is necessary for the protection of the balance of the Condominium, in which event the owner thereof must either permit the Association's pest control company to enter his unit or must employ a licensed pest control company to enter his unit on a regular basis to perform pest control services and furnish written evidence thereof to the Association. Because the cost of pest control service provided by the Association is part of the common expenses, the election of an owner not to use such service shall not reduce the owner's assessments.

11.10. Hurricane Shutters. The Board of Directors shall adopt hurricane shutter specifications for each building within the Condominium which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building

code. The Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board.

12. USE RESTRICTIONS: The use of the Condominium property shall be in accordance with the following provisions:

12.1. Units. Each unit shall be occupied by only one family at any time, as a residence and for no other purpose. No business or commercial activity shall be conducted in or from any unit. The use of a unit as a public lodging establishment shall be deemed a business or commercial use. This restriction shall not be construed to prohibit any owner from maintaining a personal or professional library, from keeping his personal, business or professional records in his unit, or from handling his personal, business or professional telephone calls or written correspondence in and from his unit. Such uses are expressly declared customarily incident to residential use.

12.2. Occupancy in Absence of Owner. If the owner and his family who permanently reside with him are absent from the unit and are not occupying it, and the unit has not been leased, the owner may permit his unit to be occupied by his guests only in accordance with the following:

(A) Any one person who is the parent or adult child of the unit owner or of the unit owner's spouse, if any, may occupy the unit in the absence of the owner. That person's spouse and family, if any, may accompany him.

(B) House guests not included within 12.2.(A) are permitted in the unit owner's absence and then with the proviso that no more than

four (4) persons per one bedroom units, or
six (6) persons per two bedroom units, or
eight (8) persons per 3 bedroom units

one of whom must be 21 years of age or older.

12.3. Occupancy When Owner is Present. Except as provided by law, there are no restrictions on the number of guests, whether related or unrelated to the owner, who may occupy the unit together with the unit owner.

12.4. Youths. All occupants under twenty-one (21) years of age shall be closely supervised at all times by an adult 21 years of age or older to insure that they do not become a source of unreasonable annoyance to other residents.

12.5. Pets. The owner of each unit may keep up to two (2) small pets, of a normal domesticated household type (such as a cat or dog) in the unit. The ability to keep such a pet is a privilege, not a right, and the Board of Directors is empowered to order and enforce the removal of any pet which becomes a source of unreasonable annoyance to other residents of the Condominium.

- (A) No pets are permitted in leased units.
- (B) Control of pets on Condominium property shall be in accordance with established Association rules and Regulations.
- (C) No reptiles, rodents, amphibians, poultry or livestock may be kept in the Condominium.

12.6. Nuisances. No owner shall use his unit, or permit it to be used, in any manner which constitutes or causes an unreasonable amount of annoyance or nuisance to the occupant of another unit, or which would not be consistent with the maintenance of the highest standards for a first class residential Condominium, nor permit the premises to be used in a disorderly or unlawful way. The use of each unit shall be consistent with existing laws and the Condominium documents, and occupants shall at all times conduct themselves in a peaceful and orderly manner.

12.7. Signs. No person may post or display "For Sale", "For Rent", "Open House" "Tangibles for Sale" or other similar signs anywhere within the Condominium or on the Condominium property except in accordance with established Association Rules and Regulations.

12.8. "Garage Sales" prohibited. "Garage" or "Flea-market" type sales are prohibited on the condominium property.

12.9. Use of Common Elements. Common hallways, stairways and other common elements shall not be obstructed, littered, defaced or misused in any manner. Balconies, patios, porches, walkways and stairways shall be used only for the purposes intended, and they shall not be used for hanging or drying clothing, for outdoor cooking, for cleaning of rugs or other household items, or for storage of any personal property.

12.10. Parking. All stopping, parking, or storing of any vehicle of any type shall be subject to Association Rules and Regulations.

13. LEASING OF UNITS. In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of units by their owners shall be restricted as provided in this section and by additional rules and regulations as adopted by the board of directors from time to time. A unit owner may lease only his entire unit, and then only in accordance with this Section. The lessee must be a natural, adult person 21 years of age or older.

13.1. Notification of Association; Assessments. Notification of the lease shall be provided to the Board of Directors on such forms as the Board may provide from time to time. The legal responsibility for paying condominium assessments may not be delegated to the lessee.

13.2. Violation of this Section. Any lease entered into inconsistent with this section may, at the option of the Board, be treated as a nullity, and the Board, with permission of the

owner, shall have the power to evict the lessee upon twenty-four (24) hour notice or less if allowed by law, without securing additional consent to such eviction from the tenant or any leasing agent.

13.3. Term of Lease and Frequency of Leasing. No lease may be a period of less than one (1) week nor more than one (1) year. No subleasing or assignment of lease rights by the lessee is allowed.

13.4. Occupancy During Lease Term. No one but the lessee, his family members within the first degree of relationship by blood, adoption or marriage, and their spouses and guests may occupy the unit. The total number of overnight occupants of a leased unit is no more than

four (4) persons per one bedroom units, or
six (6) persons per two bedroom units, or
eight (8) persons per 3 bedroom units

one of whom must be 21 years of age or older.

13.5. Occupancy in Absence of Lessee. The lessee must be present during the term of the lease if persons under the age of twenty-one (21) are occupying the unit.

13.6. Use of Common Elements and Association property. To prevent overtaxing the facilities, a unit owner whose unit is leased may not use the recreation or parking facilities during the lease term, except as otherwise may be required by law subject to regulation by the Board of Directors.

13.7. Regulation by Association. All of the provisions of the Condominium documents and the rules and regulations of the Association shall be applicable and enforceable against any person occupying a unit as a lessee or guest to the same extent as against the owner.

13.8. Lease Terms. The following shall be deemed included in every lease agreement, whether oral or written, and whether specifically expressed in such agreement or not:

(A) A covenant on the part of each occupant to abide by the rules and regulations of the Association and the provisions of the Condominium documents

(B) Assignment and designation of the Association as the owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant.

(C) No pets are permitted.

(D) Additional rules and regulations as promulgated by the board from time to time.

13.9. Costs, Attorney Fees. In the event the association begins eviction procedures for any of the reasons in this section, the Association is entitled to recovery of all costs, charges, and attorney fees incurred from the unit owner because of such proceedings or preparation for such. This provision does not preclude the unit owner from recovery of those costs, charges, or fees from the culpable party (agent or tenant).

13.10. Certain Leases not permitted. Leases may not be made for any of the following reasons:

- (A) the prospective lessee has been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude; or
- (B) the prospective lessee indicates an intent to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium; or
- (C) the unit owner is delinquent in the payment of assessments, or has outstanding charges, fines, or interest due the association for any unit in which such owner has an ownership interest, at the time the application is made, whether or not it is the unit being leased; or
- (D) the prospective lessee has a history of conduct or attitude which evidences disregard for the Association rules or rights and property of others; or
- (E) the required fees and/or security deposit is not paid; or
- (F) the owner or Rental Agent fails to give proper notice of the lease to the Board of Directors.

14. TRANSFER OF OWNERSHIP OF UNITS. In order to maintain the Association records, to ensure that each new owner or resident is provided with a full set of condominium documents and rules and advised of the financial obligations and use restrictions; and in order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of ownership of a unit shall be subject to the following provisions:

14.1. Forms of Ownership:

- (A) One Person. A unit may be owned by one natural person who has qualified and been approved as elsewhere provided herein.
- (B) Two or More Persons. Co-ownership of units by two or more natural persons is permitted. However, the intent of this provision is to allow flexibility in estate, tax or financial planning, and not to create circumstances where the unit may be used as short-term transient accommodations for multiple families.

(C) Ownership by Corporations, Partnerships or Trusts. A unit may be owned in trust, or by a corporation, partnership or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the unit may

be used as short-term transient accommodations for several individuals or families.

(D) Life Estate. A unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved under 14.2 below. In that event, the life tenant shall be the only Association member from such unit, and occupancy of the unit shall be as if the life tenant was the only owner. Upon termination of the life estate, the holders of the remainder interest shall have no occupancy rights unless separately approved by the Association. The life tenant shall be liable for all assessments and charges against the unit. Any consent or approval required of association members may be given by the life tenant alone, and the consent or approval of the holders of the remainder interest shall not be required. If there is more than one life tenant, they shall be treated as co-owners for purposes of determining voting and occupancy rights under subsection 14.1.(B).

14.2. Transfers.

- (A) Approval. Transfers shall be approved by the Board of Directors in accordance with this section.
- (B) Sale or Gift. No unit owner may dispose of a unit or any ownership interest in a unit by sale or gift (including agreement for deed) without prior approval by the Association.

(C) Devise or Inheritance. If any unit owner acquires his title by devise or inheritance, his right to occupy or use the unit shall be subject to the procedures under 14.3.(A)(A)2 below. Approval shall not be denied to any devisee or heir who was the prior owner's lawful spouse at the time of death, or was related to the owner by blood or adoption within the first degree.

(D) Other Transfers. If any person acquires title in any manner not considered in the foregoing subsections, that person shall have no right to occupy or use the unit before approval by the Association under the procedures outlined in Section 14.3 below.

(E) Delegation of Power. To facilitate transfers proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to an ad hoc committee, which may consist of at least three (3) members. The Chairman of the committee shall be deemed a Vice-President, and as such shall be empowered to execute approval on behalf of the Association.

14.3. Procedures.

(A) Notice to Association. Notice to the Association may be to any member of the Board of Directors or the board designee.

(A)1. Sale or Gift. An owner intending to make a sale or gift of his unit or any interest therein shall give to the Association written notice of such intention at least fourteen (14) days before the intended closing date, together

with the name and address of the proposed purchaser or donee, a copy of the executed sales contract, if any, and such other information as the Association may reasonably require. The Association may require a personal interview with any purchaser or donee and his spouse, if any, as a pre-condition to approval.

(A)2. Devise, Inheritance or Other Transfers. The transferee must notify the Association of his ownership and submit a certified copy of the instrument evidencing his ownership and such other information as the Board may reasonably require. The transferee shall have no occupancy or use rights until and unless written approval is given by the Association, but may sell or lease the unit following the procedures in this Section 14.3 or Section 13.

(A)3. Demand. With the notice required in Subsection 14.3.(A)(A)1 above, the owner or transferee seeking approval may make a written demand that if the transfer is disapproved without good cause, the Association shall furnish an approved alternate purchaser who shall purchase the unit at the same price and upon substantially the same terms as in the disapproved sales contract, or if no contract is involved, for the fair market value of the unit determined as provided below.

(A)4. Failure to Give Notice. If no notice is given, the Association, at its election, may approve or disapprove at the time it learns of the transfer. If any owner fails to obtain the Association's approval prior to selling an interest in a unit, such failure shall create a rebuttable presumption that the seller and the purchaser intend to violate the covenants of this Declaration, and shall constitute good cause for Association disapproval.

(B) Board Action. Within fourteen (14) days after receipt of the required notice and all information or interviews requested, or not later than sixty (60) days after the notice required by paragraph 14.3.(A)(A)1 above is received, whichever occurs first, the Association shall approve or disapprove the transfer. If a transfer is approved, the Association may issue written approval executed by the President or Vice-President of the Association or board designee and delivered to the transferee. If the Board neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval and on demand the Board may issue written approval to the transferee.

(C) Disapproval.

(C)1. With Good Cause. Approval by the Association shall be withheld for good cause only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists. Only the following may be deemed to constitute good cause for disapproval:

a. the person seeking approval has been convicted of a felony involving violence to persons or property, a felony involving possession or sale of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;

b. the person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;

c. the person seeking approval gives the Board reasonable cause to believe that person intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;

d. the person seeking approval has a history of disruptive behavior or disregard for the rights or property of others;

e. the person seeking approval has evidenced an attitude of disregard for association rules by his conduct in this Condominium as a tenant, unit owner or occupant of a unit;

f. the transfer to the person seeking approval would result in that person owning more than two (2) units in the Condominium;

g. the person seeking approval has failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process; or

h. the transaction, if a sale or gift, was concluded by the parties without having sought and obtained the prior approval required herein.

(C)2. Without Good Cause. The Association's approval shall not be denied unless a majority of the whole Board so votes. If the Board disapproves without good cause, and if the owner or transferee has made the demand set forth in Section 14.3.(A)(A)3, then within thirty (30) days after the Board meeting at which the disapproval took place, the Board shall deliver in writing to the owner (hereafter "the seller") the name of an approved purchaser who will purchase the unit at the same price, and upon substantially the same terms, as in the disapproved sales contract. If no sales contract was involved, or if the Association challenges the contract price as not being a good faith purchase price, then the purchase price shall be paid in cash, and the price to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two state-certified property appraisers, one selected by the seller and the other by the Association. The cost of the appraisals, and all other closing costs in cases where no sales contract is involved, shall be shared equally by the buyer and seller, except that the purchaser shall pay for his own title insurance, and all costs of mortgage financing. Real property taxes and condominium assessments shall be prorated to the day of closing and the parties shall bear their own attorneys fees, if any. The closing shall take place not longer than sixty (60) days after the date of Board disapproval or thirty (30) days after determination of fair market value by appraisal, whichever occurs last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages.

(C)3. If the Board fails to deliver the name of the approved purchaser within thirty (30) days as

required above, then the original proposed purchaser shall be deemed to be approved, despite the Board's former disapproval, and upon demand written approval shall be issued.

14.4. Exception. The provisions of Sections 14.2 and 14.3 are not applicable to the acquisition of title by a first mortgagee who acquires title through the mortgage, whether by foreclosure or deed in lieu of foreclosure.

14.5. Unapproved Transfers. Any sale or transfer which is not approved, or which is disapproved pursuant to the terms of this Declaration shall be void unless subsequently approved in writing by the Board.

14.6. Fees Related to the Sale of Units. Whenever herein the Board's approval is required to allow the sale or other transfer of an interest in a unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law (currently \$100.00 per applicant with husband and wife or parent and child considered one applicant).

15. INSURANCE. In order to adequately protect the Association and its members, insurance shall be carried and kept in force at all times in accordance with the following provisions:

15.1. By the Unit Owner. Each unit owner is responsible for insuring his own unit, and the personal property therein; all floor, wall and ceiling coverings; all built-in cabinets, appliances, water heaters, air conditioning and heating equipment, and electrical fixtures that are located within the unit and required to be repaired or replaced by the owner; and all alterations, additions and improvements made to the unit or the common elements by the owner or his predecessors in title. Each unit owner is expected to carry homeowner's insurance, with endorsements for leakage, seepage and wind-driven rain, additions and alterations, and loss assessment protection, or recognize that he bears financial responsibility for any damage to his property or liability to others that would otherwise be covered by such insurance.

15.2. Association Insurance; Duty and Authority to Obtain. The Board of Directors shall obtain and keep in force the insurance coverage which it is required to carry by law and under the Condominium documents, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the unit owners without naming them, and their mortgagees, as their interests shall appear. To the extent permitted by law, the Association may self-insure.

15.3. Required Coverage. The Association shall maintain adequate insurance covering all of the buildings and the common elements as well as all Association property, in amounts determined annually by the Board of Directors, such insurance to afford the following protection:

(A) **Property.** Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "All Risk" property contract. Such coverage on each building will be on a replacement cost within a limit for all buildings combined.

(B) **Flood.** In amounts deemed adequate by the Board of Directors, as available through the National Flood Insurance Program.

(C) **Liability.** Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the unit owners as a group to a unit owner.

(D) **Automobile.** Automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles, in such limits of protection and with such coverage as may be determined by the Board of Directors.

(E) **Compensation.** The Association shall maintain Workers' Compensation insurance on at least a minimum premium basis.

(F) **Statutory Fidelity Bond.**

(G) **Directors and Officers Liability.**

15.4. Optional Coverage. The Association may purchase and carry other such insurance coverage as the Board of Directors may determine to be in the best interest of the Association and unit owners. Some of the more common options include:

(A) Additional flood insurance.

(B) Broad Form Comprehensive General Liability Endorsement.

(C) Medical Payments.

(D) Leakage, seepage and wind-driven rain.

15.5. Description of Coverage. A detailed summary of the coverages included in the master policies, and copies of the master policies, shall be available for inspection by unit owners or their authorized representatives upon request.

15.6. Waiver of Subrogation. If available and where applicable, the Board of Directors shall endeavor to obtain insurance policies which provide that the insurer waives its right to subrogation as to any claim against the Association unit owners, or their respective servants, agents or guests, except for any claim based upon gross negligence evidencing reckless, willful or wanton disregard for life or property.

15.7. Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the unit owners and their mortgagees as their interests may appear, and all proceeds from policies purchased by the Association shall be payable only to the Association except as otherwise provided in Section 15.9 below in instances where an Insurance Trustee has been appointed. The duty of the Association shall be to receive such proceeds as are paid, and to hold the same in trust, and disburse them for the

purposes stated herein and for the benefit of the unit owners and their respective mortgagees in the following shares:

(A) Common Elements. Proceeds on account of damage to common elements shall be held in as many undivided shares as there are units, the shares of each unit owner being the same as his share in the common elements.

(B) Units. Proceeds on account of damage within the units shall be held in prorated shares, based on the amount of damage within each damaged unit as a percentage of the total damage within all units, less the deductible.

(C) Mortgagee. If a mortgagee endorsement has been issued as to a unit, the shares of the mortgagee and the unit owner shall be as their interests appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages which it may hold against unit or units, except when the funds are not used for repairs or to the extent that insurance proceeds exceed the actual cost of repair or restoration of the damaged building or buildings. Except as otherwise expressly provided, no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty.

15.8. Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the unit owners in the following manner:

(A) Costs of Protecting and Preserving the Property. If a person other than the person responsible for repair and reconstruction has advanced funds to preserve and protect the property to prevent further damage or deterioration, the funds so advanced shall first be repaid, with interest if required.

(B) Cost of Reconstruction or Repair. If the damage for which the proceeds are paid is to be reconstructed or repaired by the Association, the remaining proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying costs shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being paid jointly to them.

(C) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided herein that the damages for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them.

15.9. Association as Agent; Insurance Trustee. The Association is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association for damage or loss to the condominium property. Alternatively, the Board of Directors may select an independent Insurance Trustee. In such event any proceeds will be paid to or any undisbursed proceeds in the control of the Association will be paid over to the independent Insurance Trustee. All persons for whose benefit such

insurance is held shall be bound by the Association's selection of the Insurance Trustee.

The independent Insurance Trustee shall be a bank with trust powers doing business in the State of Florida. The Insurance Trustee shall not be liable for the payment of premiums, the renewal of any policy or policies of casualty insurance, the sufficiency of coverage, the form or content of policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold the same in trust for the purposes herein stated, and for the benefit of the Association, unit owners and their respective mortgagees, to be disbursed as herein provided. The Association shall pay a reasonable fee to the Insurance Trustee for services rendered hereunder and shall pay such costs and expenses as the Insurance Trustee may incur in the performance of its duties hereunder; such fees and costs to be assessed against and collected from unit owners as a common expense. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then only for such money as may come into the possession of the Insurance Trustee. If and when the Insurance Trustee is required to distribute insurance proceeds to unit owners and their mortgagees, as their respective interests may appear, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association executed under oath and provided to the Insurance Trustee upon request to the Association; such certificate to certify the name or names of the owners of each unit, the mortgagee(s) thereof, and the respective percentages of any distribution which is to be made to such owner(s) and mortgagee(s), as their respective interests may appear.

16. RECONSTRUCTION OR REPAIR AFTER CASUALTY: If any part of the Condominium property is damaged by casualty, whether and how it shall be reconstructed or repaired shall be determined as follows:

16.1. Damage to Units. Where loss or damage occurs within one or more units, any Association insurance proceeds on account of the loss or damage shall be distributed to the owner(s) of the damaged unit(s) in shares as provided in Section 15.7 above. The owner(s) of the damaged unit(s) shall be responsible for reconstruction and repair, and shall bear the burden of the deductible in the same shares as they received the benefits of the Association's coverage.

16.2. Damage to Common Elements - Less than "Very Substantial". Where loss or damage occurs to the common elements, but the loss is less than "very substantial", as hereinafter defined, it shall be mandatory for the Association to repair, restore and rebuild the damage caused by the loss, and the following procedures shall apply:

(A) The Board of Directors shall promptly obtain reliable and detailed estimates of the cost of repair and

restoration, and shall negotiate and contract for repair and reconstruction.

(B) If the proceeds of insurance and available reserves are insufficient to pay for the cost of repair and reconstruction of the common elements, the Association shall promptly, upon determination of the deficiency, levy a special assessment against all unit owners in proportion to their shares in the common elements for the deficiency. Such special assessments need not be approved by the unit owners. The proceeds from the special assessment shall be added to the funds available for repair and restoration of the property.

16.3. "Very Substantial" Damage. As used in this Declaration, the term "very substantial" damage shall mean loss or damage caused by a common occurrence whereby at least three-fourths (3/4ths) of the total units cannot reasonably be rendered habitable within sixty (60) days. Should such "very substantial" damage occur then:

(A) The Board of Directors and the officers, or any of them, are authorized, regardless of any other provision of this Declaration, to take such action as may reasonably appear to be necessary under emergency conditions to evacuate or shore-up structures and salvage property, to engage security to protect against looting or other criminal acts, and to alter the Condominium property or Association property as might be reasonable under the circumstances to protect the Condominium property or Association property from further damage or deterioration. This authority includes the authority to expend any and all available Association funds.

(B) The Board of Directors shall endeavor to obtain comprehensive, detailed estimates of the cost of repair and restoration.

(C) A membership meeting shall be called by the Board of Directors to be held not later than sixty (60) days after the Board has obtained the estimates, to determine the opinion of the membership with reference to rebuilding or termination of the Condominium, subject to the following:

(C)1. If the insurance proceeds, reserves and other Association funds available for the restoration and repairs that are the Association's responsibility are sufficient to cover the estimated cost thereof so that it is reasonably anticipated that the repairs and reconstruction can be accomplished with a special assessment not exceeding fifteen percent (15%) of the total annual budget for the year in which the casualty occurred, then the Condominium shall be restored or repaired unless two-thirds (2/3rds) of the total voting interests vote for termination, in which case the Condominium shall be terminated.

(C)2. If upon the advice of legal counsel, it appears unlikely that the then applicable zoning or other regulatory laws will allow reconstruction of the same number and general types of units; or if the insurance proceeds,

reserves and other Association funds available for restoration and repair are not sufficient to cover the estimated cost thereof so that it is reasonably anticipated that the repairs and reconstruction can only be accomplished by levying special assessments exceeding fifteen percent (15%) of the total annual budget for the year in which the casualty occurred, then unless two-thirds (2/3rds) of the total voting interests vote in favor of such special assessment and against termination of the Condominium, it shall be terminated and the property removed from the provisions of the Condominium Act. If the requisite number of unit owners approve reconstruction, the Board of Directors shall levy such assessments as are necessary and shall proceed to negotiate and contract for necessary repairs and restoration. The proceeds from the special assessments shall be added to the funds available for repair and restoration of the property.

(D) If any dispute shall arise as to whether "very substantial" damage has occurred, or as to the amount of special assessments required, a determination approved by at least two-thirds (2/3rds) of the Board of Directors shall be conclusive, and shall be binding upon all unit owners.

16.4. Application of Insurance Proceeds. It shall always be presumed that monies disbursed for repair and restoration come first from insurance proceeds; if there is a balance left in the funds held by the Association after the payment of all costs of repair and restoration, such balance shall be distributed to the unit owners, except as otherwise provided in Section 15.7.(C) above.

16.5. Equitable Relief. In the event of damage to the common elements which renders any unit uninhabitable, and the damage is not repaired, reconstructed, or rebuilt within a reasonable period of time, the owner of the uninhabitable unit may petition a court for equitable relief, which may include a termination of the Condominium and a partition. For the purposes of this provision, it shall be conclusively presumed that repair, reconstruction or rebuilding has occurred within a reasonable period of time if substantial work is commenced within six (6) months following the damage or destruction, and is completed within nine (9) months thereafter.

16.6. Plans and Specifications. Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original buildings, or according to different plans and specifications approved by the Board of Directors, by the owners of at least three-fourths (3/4ths) of the units, and by the Primary Institutional Mortgagee, if any. Such approvals may not be unreasonably withheld. However, no change in plans and specifications shall materially reduce the interior floor space of any unit without the consent of the unit owner and his institutional mortgagee, if any.

17. CONDEMNATION:

17.1. Deposit of Awards with Association. The taking of all or any part of the Condominium property by

condemnation or eminent domain shall be deemed to be a casualty to the portion taken and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty. Even though the awards may be payable to unit owners, the unit owners shall deposit the awards with the Association; and if any fail to do so, a special charge shall be made against a defaulting unit owner in the amount of his award, or the amount of that award shall be set off against any sums payable to that owner.

17.2. Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the same manner provided for determining whether damaged property will be reconstructed and repaired after a casualty.

17.3. Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of all awards and special assessments will be deemed to be Condominium property and shall be owned and distributed in the manner provided for insurance proceeds when the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, but the size of the Condominium will be reduced, the owners of condemned units, if any, will be made whole, and any property damaged by the taking will be made usable in the manner provided below. Proceeds of awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursements of funds after a casualty.

17.4. Association as Agent. The Association is hereby irrevocably appointed as each unit owner's attorney-in-fact for purposes of negotiating or litigating with the condemning authority for the purpose of realizing just compensation, except as may otherwise be required by F.S. 73.073.

17.5. Units Reduced but Habitable. If the condemnation reduces the size of a unit and the remaining portion of the unit can be made habitable, the awards for the taking of a portion of that unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

(A) **Restoration of Unit.** The unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be paid by the owner of the unit.

(B) **Distribution of Surplus.** The balance of the award, if any, shall be distributed to the owner of the unit and to each mortgagee of the unit, the remittance being made payable jointly to the owner and mortgagees.

(C) **No adjustment of Shares in Common Elements.** Even if the floor area of a unit is reduced by the taking, there shall be no adjustment in the percentage share of the common elements.

17.6. Unit Made Not Habitable. If the condemnation is of an entire unit or reduces the size of a unit so that it cannot

be made habitable, 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 effected in the Condominium:

(A) **Payment of Award.** The fair market value of the unit immediately prior to the taking shall be paid to the owner of the unit and to each mortgagee of the unit, the remittance being made payable jointly to the owner and mortgagee(s).

(B) **Addition to Common Elements.** If possible and practical, the remaining portion of the unit shall become a part of the common elements and shall be placed in condition for use by some or all unit owners in a manner approved by the Board of Directors.

(C) **Adjustment of Shares in Common Elements.** The shares in the common elements appurtenant to the units that continue as part of the Condominium shall be adjusted to distribute the ownership of the common elements among the reduced number of unit owners. This shall be done by restating the shares of continuing unit owners in the common elements as percentages of the total of the numbers representing the shares of these as they existed prior to the adjustment.

(D) **Assessments.** If the amount of the award for the taking is not sufficient to pay the fair market value of the condemned unit to the unit owner and to condition the remaining portion of the unit for use as a part of the common elements, the additional funds required for those purposes shall be raised by special assessment against all unit owners who will continue as owners of units after the changes in the Condominium affected by the taking. The assessments shall be made in proportion to the shares of those owners in the common elements after the changes affected by the taking.

(E) **Arbitration.** If the fair market value of a unit prior to the taking cannot be determined by agreement between the unit owner and the Association within thirty (30) days after notice by either party, the value shall be determined by appraisal in accordance with the following. The unit owner and the Association shall each appoint one certified real property appraiser, who shall appraise the unit and determine the fair market value by computing the arithmetic average of their appraisals of the unit. If there is a first mortgage, the first mortgagee shall have the right, but not the obligation, to appoint a third state certified appraiser to participate in this process. A judgment of specific performance upon the fair market value calculated in this manner may be entered in any court of competent jurisdiction. Each party shall bear the cost of his own appraiser.

17.7. Taking of Common Elements. Awards for the taking of common elements only shall be used to make the remaining portion of the common elements usable in a manner approved by the Board of Directors. The balance of such awards, if any, shall be distributed to the unit owners in the shares in which they own the common elements. If a unit is mortgaged, the remittance shall be paid jointly to the owner and mortgagee(s) of the unit.

17.8. Amendment of Declaration. Any changes in units and in the common elements, in the ownership of the common elements, and in the sharing of common expenses that are necessitated by condemnation shall be accomplished by amending this Declaration and the first amended Exhibits "A" and "B" in conformity to the changes mandated by Sections 17.5 and 17.6 above. Such amendment need be approved only by the owners of a majority of the units. Approval of or joinder by lien holders is not required for any such amendment.

18. TERMINATION: The Condominium may be terminated in the following manner:

18.1. Agreement. The Condominium may be terminated at any time by written agreement of the owners of at least seventy-five (75%) of the units, and the Primary Institutional Mortgagee. Termination incident to merger shall be accomplished as provided in Merger Section below.

18.2. Very Substantial Damage. If the Condominium, as a result of casualty, suffers "very substantial damage" to the extent defined in Section 16.3, and it is not decided as therein provided that it will be reconstructed or repaired, the condominium form of ownership of the property in this Condominium will thereby terminate without agreement.

18.3. General Provisions. Upon termination, the former unit owners shall become the owners, as tenants in common, of all Condominium and Association property and the assets of the Association. The shares of such tenants in common shall be the same as were their shares of the common elements, and the costs of termination, as well as post-termination costs of maintaining the former Condominium property, shall be common expenses, the payment of which shall be secured by a lien on the interest owned by each tenant in common. The mortgagee or lienor of a unit owner shall have a mortgage or lien solely and exclusively upon the undivided share of such tenant in common in and to the lands and other assets of the Association which he may become entitled to receive by reason of such termination. The termination of the Condominium shall be evidenced by a certificate of the Association, executed with the formalities of a deed, and certifying as to the facts effecting the termination. Termination shall become effective when that certificate is recorded in the Public Records of St. Johns County, Florida.

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

18.5. Partition; Sale. Following termination, the former Condominium property and Association property may be partitioned and sold upon the application of any unit owner. If following a termination, at least seventy-five percent (75%) of the voting interests agree to accept an offer for the sale of the property, all owners shall be bound to execute deeds and other documents reasonably required to effect the sale. In that event,

any action for partition of the property shall be held in abeyance pending the sale, and upon the consummation of the sale shall be discontinued by all parties thereto.

18.6. Last Board. The termination of the Condominium does not, by itself, terminate the Association. The members of the last Board of Directors and the officers of the Association shall continue to have the powers granted in this Declaration for the purpose of winding up the affairs of the Association.

18.7. Provisions Survive Termination. The provisions of this Section 18 are covenants running with the land, and shall survive the termination of the Condominium until all matters covered by those provisions have been completed.

19. ENFORCEMENT:

19.1. Duty to Comply; Right to Sue. Each unit owner, his tenants and guests, and the Association shall be governed by and shall comply with the provisions of the Condominium Act, the Condominium documents and the rules and regulations of the Association. Actions for damages or for injunctive relief, or both, for failure to comply may be brought by the Association or by a unit owner against:

- (A) The Association;
- (B) A unit owner;
- (C) Anyone who occupies or is a tenant or guest in a unit; or
- (D) Any member of the Board of Directors who willfully and knowingly fails to comply with these provisions.

19.2. Creation and Enforcement of Charges. The Association shall have a cause of action against unit owners to secure payment to the Association by unit owners of all charges, costs and expenses to the Association which cannot be secured as assessments, regular or special, under F.S. 718.116. The charge shall bear interest at the highest lawful rate, and shall carry with it costs and attorney's fees, including appeals, incurred in collection.

19.3. Waiver of Rights. The failure of the Association or any member to enforce a right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future. A provision of the Condominium Act may not be waived by a unit owner if the waiver would adversely affect the rights of the owner or defeat the purpose of the provision, except that unit owners or Directors may waive notice of specific meetings as provided in the Bylaws. Any written instrument or instruction given by a purchaser or unit owner to an escrow agent may be relied upon by the escrow agent, whether or not such instruction and the payment of funds thereunder might otherwise constitute a waiver of any provision of the Condominium Act or the condominium documents.

19.4. Attorney's Fees. In any legal proceeding arising out of an alleged failure of a guest, tenant, unit owner or the Association to comply with the requirements of the Condominium Act, the Condominium documents, or the Association's rules and regulations, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorneys fees as may be awarded by the court.

19.5. No Election of Remedies. All rights, remedies and privileges granted to the Association or unit owners under the law and the Condominium documents shall be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising any other rights, remedies, or privileges that may be available.

20. RIGHTS OF MORTGAGEES:

20.1. Approvals. Written consent of the institutional mortgagee of a unit shall be required for any amendment to the Declaration which would decrease the unit's share of ownership of the common elements, except as otherwise provided in Section 17.

20.2. Notice of Casualty or Condemnation. In the event of condemnation, eminent domain proceedings, or very substantial damage to, or destruction of, any unit or any part of the common elements, the record holder of any first mortgage on an affected unit shall be entitled to notice.

20.3. First Mortgage Foreclosure. If the mortgagee of a first mortgage of record acquires title to a Condominium parcel as a result of foreclosure of the mortgage, or as the result of a deed given in lieu of foreclosure, the liability of the first mortgagee for the unpaid common expenses or assessments attributable to the Condominium parcel, or chargeable to the former owner of the parcel, which came due prior to the first mortgagee's acquisition of title, shall be limited to the amount the first mortgagee is required to pay under the Condominium Act. No acquirer of title to a Condominium parcel by foreclosure, or by a deed in lieu of foreclosure, may be excused from the payment of any assessments coming due during the period of such ownership.

20.4. Redemption. If proceedings are instituted to foreclose any mortgage or lien on any unit, the Association, on behalf of one or more unit owners and with the permission of the mortgagee, may redeem the mortgage or lien for the amount due thereon and be thereby subrogated to all of the mortgagee's or lienor's rights of action, or the Association may purchase the unit at the foreclosure sale. Any mortgagee shall have an unrestricted, absolute right to accept title to the unit in settlement and satisfaction of the mortgage or to foreclose its mortgage in accordance with its terms, and to bid upon the unit at the foreclosure sale.

20.5. Right to Inspect Books. The Association shall make available to institutional mortgagees requesting same current copies of the Condominium documents and the books, records and financial statements of the Association. "Available" shall mean ready for inspection, upon written request, during normal business hours, or under other reasonable circumstances. Photocopies shall be provided at the expense of the person requesting them.

20.6. Financial Statement. Any institutional mortgagee is entitled, upon written request, to a copy of the most recent financial report or financial statement of the Association.

20.7. Lender's Notices. Upon written request to the Association, any institutional mortgagee shall be entitled to timely written notice of:

(A) Any sixty (60) day or longer delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds a mortgage.

(B) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association. An increase in coverage shall not be deemed a material modification under this paragraph, nor shall any change in coverage which is mandatory under the Condominium Act as amended from time to time.

(C) Any proposed action that requires the consent of a specified percentage of mortgage holders.

21. AMENDMENT OF DECLARATION: All amendments to this Declaration shall be proposed and adopted in the following manner:

21.1. Proposal. Amendments to this Declaration may be proposed by the Board of Directors, or by written petition to the Board signed by the owners of at least one-fourth (1/4th) of the units.

21.2. Procedure. Upon any amendment or amendments to this Declaration being proposed as provided above, the proposed amendment or amendments shall be submitted to a vote of the members not later than the next annual meeting for which proper notice can still be given.

21.3. Vote Required. Except as otherwise provided by law, or by specific provision of the Condominium documents, this Declaration may be amended if the proposed amendment is approved by at least two-thirds (2/3rds) of the voting interests who are present and voting, in person or by proxy, at any annual meeting or special meeting noticed for that purpose. Alternatively, amendments may be adopted without a meeting following the procedure set forth in Section 3.12 of the Bylaws.

21.4. Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall be in the form required by law and shall be executed by the President or Vice President of

the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of St. Johns County, Florida.

21.5. Proviso. No amendment may change the boundaries or size of any unit in any material fashion, materially alter or modify the appurtenances to the unit, or change the proportion or percentage by which the owner of a parcel shares the common expenses and owns the common surplus, unless all record owners of the unit, and any institutional mortgagee holding a mortgage on the unit, consent in writing to the amendment. This proviso does not apply to changes caused by condemnation or a taking by eminent domain as provided in Section 17. No amendment shall operate to unlawfully discriminate against any unit owner nor against any class of unit owners.

21.6. Enlargement of Common Elements. The common elements designated by this Declaration may be enlarged to add real property acquired by the Association through amendment of the first amended Exhibits "A" and "B" to the first amended Declaration. The amendment must be approved by at least two-thirds (2/3rds) of the voting interests, but no other person need join in or consent to the amendment. The amendment divests the Association of title and vests title in the unit owners without naming them and without further conveyance, in the same proportion as the undivided shares in the common elements that are appurtenant to the units.

21.7. Correction of Errors. If there is an omission or error in this Declaration of Condominium or in other documents required by Florida law to establish the Condominium, the Association may correct the error or omission by following the procedures set forth in the Condominium Act.

(A) The security and priority of all existing mortgages and liens, and the rights of existing mortgagees and lienholders, shall not be impaired by the merger;

(B) The restrictions on the use, occupancy, leasing and transfer of units shall not be materially changed as part of the merger; and

(C) The share of common expenses and ownership of the common elements for each unit in the surviving merged Condominium shall be a fraction, the numerator of which is the number "one" (1), and the denominator of which is the total number of units in the newly merged Condominium.

21.8. Amendment of Articles of Incorporation and Bylaws. The Articles of Incorporation of the Association may be amended in the manner provided therein. The Bylaws of the Association may be amended in the manner provided in they Bylaws.

22. MISCELLANEOUS:

22.1. Severability. The invalidity or unenforceability in whole or in part of any covenant or restriction or any section, subsection, sentence, clause, phrase or word or other provision of this Declaration, or any recorded exhibit to this Declaration, shall not effect the remaining portions.

22.2. Applicable Statutes. The validity, application and construction of this Declaration and its recorded exhibits shall be governed by the Laws of Florida, particularly the Florida Condominium Act.

22.3. Conflicts. If there is a conflict between any provision of this Declaration and the Condominium Act, the Condominium Act shall control. If there is a conflict between this Declaration and the Association's Articles of Incorporation or Bylaws, the Declaration shall control.

22.4. Interpretation. The Board of Directors is responsible for interpreting the provisions of this Declaration and its exhibits. Such interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by legal counsel that an interpretation adopted by the Board is not unreasonable shall conclusively establish the validity of such interpretation.

22.5. Exhibits. There is hereby incorporated within this Declaration any materials contained in the exhibits hereto which, under the Condominium Act, are required to be part of the Declaration.

22.6. Singular, Plural and Gender. Whenever the context so requires, the use of the plural shall include the singular and the plural, and the use of any gender shall be deemed to include all genders.

22.7. Headings. The headings used in the Condominium documents are for reference purposes only, and do not constitute substantive matter to be considered in construing the terms and provisions of these documents.

22.8. Time Share Prohibited. No time share estates may be created in this Condominium.

- - - End of Declaration - - -

EXHIBIT "A"

**NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE ARTICLES OF INCORPORATION.
FOR PRESENT TEXT SEE EXISTING ARTICLES OF INCORPORATION.**

AMENDED AND RESTATED ARTICLES OF
INCORPORATION

OF

Quail Hollow on the Ocean, South,
Condominium Association, Inc.

Pursuant to Section 617.1007, Florida Statutes, the Articles of Incorporation of Quail Hollow on the Ocean, South, Condominium Association, Inc., a Florida not-for-profit corporation, which was originally incorporated under the same name on 8th day of March 1974 are hereby amended and restated in their entirety. All amendments included herein have been adopted pursuant to Section 617.1007, Florida Statutes, and there is no discrepancy between the corporation's Articles of Incorporation as heretofore amended and the provisions of these Amended and Restated Articles other than the inclusion of amendments adopted pursuant to Section 617.1007 and the omission of matters of historical interest. The Amended and Restated Articles of Incorporation of Quail Hollow on the Ocean, South, Condominium Association, Inc. shall henceforth be as follows:

ARTICLE I

NAME: The name of the corporation, herein called the "Association", is Quail Hollow on the Ocean, South, Condominium Association, Inc., and its address is 6300 A1A South, St. Augustine, FL 32084.

ARTICLE II

PURPOSE AND POWERS: The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act for the operation of Quail Hollow on the Ocean, South, a Condominium, located in St. Johns County, Florida.

The Association is organized and shall exist on a non-stock basis as a corporation not for profit under the laws of the State of Florida, and no portion of any earnings of the Association shall be distributed or inure to the private benefit of any member, Director or officer. For the accomplishment of its purposes, the Association shall have all of the common law and statutory powers and duties of a corporation not for profit under the laws of the State of Florida, except as limited or modified by these Articles, the Declaration of Condominium, the Bylaws or the Florida Condominium Act; and it shall have all of the powers and duties reasonably necessary to operate the Condominium pursuant to said Declaration as it may hereafter be amended, including but not limited to the following:

- (A) To make and collect assessments against members of the Association to defray the costs, expenses and

losses of the Association, and to use the funds in the exercise of its powers and duties.

- (B) To protect, maintain, repair, replace and operate the condominium property.
- (C) To purchase insurance upon the condominium property and Association property for the protection of the Association and its members.
- (D) To reconstruct improvements after casualty and to make further improvements of the condominium property.
- (E) To make, amend and enforce reasonable rules and regulations governing the use of the common elements, and the operation of the Association.
- (F) To approve or disapprove the transfer, leasing and occupancy of units, as provided in the Declaration of Condominium.
- (G) To enforce the provisions of the Condominium Act, the Declaration of Condominium, these Articles, the Bylaws and any Rules and Regulations of the Association.
- (H) To contract for the management and maintenance of the condominium and the condominium property, and to delegate any powers and duties of the Association in connection therewith except such as are specifically required by the Declaration of Condominium to be exercised by the Board of Directors or the membership of the Association.
- (I) To employ accountants, attorneys, architects, and other professional personnel to perform the services required for proper operation of the Condominium.
- (J) To enter into agreements, or acquire leaseholds, memberships, and other possessory, ownership or use interests in lands or facilities such as country clubs, golf courses, marinas, and other recreational facilities. It has this power whether or not the lands or facilities are contiguous to the lands of the Condominium, if they are intended to provide enjoyment, recreation, or other use or benefit to the unit owners.
- (K) To borrow money if necessary to perform its other functions hereunder.

All funds and the title to all property acquired by the Association shall be held for the benefit of the members in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation and the Bylaws.

ARTICLE III

MEMBERSHIP:

- (A) The members of the Association shall be the record owners of a fee simple interest in one or more units in the Condominium, as further provided in the Bylaws.
- (B) The share of a member in the funds and assets of the Association cannot be assigned or transferred in any manner except as an appurtenance to his unit.

- (C) The owners of each unit, collectively, shall be entitled to one vote in Association matters. The manner of exercising voting rights shall be as set forth in the Bylaws.

ARTICLE IV

TERM: The term of the Association shall be perpetual.

ARTICLE V

BYLAWS: The Bylaws of the Association may be altered, amended, or rescinded in the manner provided therein.

ARTICLE VI

DIRECTORS AND OFFICERS:

- (A) The affairs of the Association shall be administered by a Board of Directors consisting of the number of Directors determined by the Bylaws.
- (B) Directors of the Association shall be elected by the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.
- (C) The business of the Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected each year by the Board of Directors at its first meeting after the annual meeting of the members of the Association, and they shall serve at the pleasure of the Board.

ARTICLE VII

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

- (A) **Proposal.** Amendments to these Articles may be proposed by a majority of the Board or by written petition, signed by at least twenty-five percent (25%) of the voting interests.
- (B) **Procedure.** Upon any amendment to these Articles being proposed by said Board or unit owners, such proposed amendment shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can be given.
- (C) **Vote Required.** Except as otherwise provided for by Florida law, these Articles of Incorporation may be amended by vote of at least sixty percent (60%) of the voting interests at any annual or special meeting, provided that notice of any proposed amendment has been given to the members of the Association, and that the notice contains a copy of the proposed amendment.
- (D) **Effective Date.** An amendment shall become effective upon filing with the Secretary of State and recording a certified copy in the Public Records of St. Johns County, Florida.

ARTICLE VIII

INDEMNIFICATION: To the fullest extent permitted by Florida law, the Association shall indemnify and hold harmless every Director and every officer of the Association against all expenses and liabilities, including attorney's fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a Director or officer of the Association. The foregoing right of indemnification shall not be available if a judgment or other final adjudication establishes that his actions or omissions to act were material to the cause adjudicated and involved:

- (A) Willful misconduct or a conscious disregard for the best interests of the Association, in a proceeding by or in the right of the Association to procure a judgment in its favor.
- (B) A violation of criminal law, unless the Director or officer had no reasonable cause to believe his action was unlawful or had reasonable cause to believe his action was lawful.
- (C) A transaction from which the Director or officer derived an improper personal benefit.

In the event of a settlement, the right to indemnification shall not apply unless the Board of Directors approves such settlement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which a Director or officer may be entitled.

- - - End of Articles - - -

EXHIBIT "B"

NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE BYLAWS. FOR PRESENT TEXT SEE EXISTING BYLAWS.

AMENDED AND RESTATED BYLAWS
OF

**Quail Hollow on the Ocean, South,
Condominium Association, Inc.**

1. GENERAL. These are the Amended and Restated Bylaws of Quail Hollow on the Ocean, South, Condominium Association, Inc., hereinafter the "Association," a corporation not for profit organized under the laws of Florida for the purpose of operating a condominium pursuant to the Florida Condominium Act. All prior Bylaws are hereby revoked and superseded in their entirety.

1.1. Principal Office. The principal office of the Association shall be at 6300 A1A South, St. Augustine, FL 32084 or at such other location in St. Johns, or an adjacent county, as from time to time determined by the board directors.

1.2. Seal. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

1.3. Definitions. The definitions set forth in Section 4 of the Declaration of Condominium shall apply to terms used in these Bylaws.

2. MEMBERS.

2.1. Qualifications. The members of the Association shall be the record owners of legal title to the units. In the case of a unit subject to an agreement for deed, the contract vendor shall be deemed the owner of the unit for purposes of determining voting and use rights. Membership shall become effective upon the occurrence of the last to occur of the following events:

(A) Recording in the Public Records of a Deed or other instrument evidencing legal title to the unit in the member.

(B) Approval by the Board of Directors as provided for in Section 14.3 of the Declaration of Condominium.

(C) Delivery to the Association of a copy of the recorded Deed or other instrument evidencing title.

(D) Delivery to the Association, if required, of a written designation of a primary occupant.

2.2. Voting Interests. The members of the Association are entitled to one (1) vote for each unit owned by them. The

total number of possible votes (the "voting interests") shall equal the total number of units. The vote of a unit is not divisible. The right to vote may not be denied because of delinquent assessments.

(A) If a unit is owned by one natural person, his right to vote shall be established by the record title to the unit. If a unit is owned jointly by two or more natural persons, that unit's vote may be cast by any one of the record owners. If two or more owners of a unit do not agree among themselves how their one vote shall be cast, that vote shall not be counted for any purpose.

(B) If the owner of a unit is not a natural person, the person entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Corporation and filed with the Secretary of the Association or in a similar manner and form if the owner is other than a corporation. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in ownership of the unit concerned.

2.3. Approval or Disapproval of Matters. Whenever the decision or approval of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any member who could cast the vote of such unit at an Association meeting, unless the joinder of all record owners is specifically required.

2.4. Change of Membership. Following written approval of the Association, as elsewhere required herein, a change of membership in the Association shall be established by the new member's membership becoming effective as provided in 2.1 above. At that time the membership of the prior owner shall be terminated automatically.

2.5. Termination of Membership. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Condominium during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS; VOTING.

3.1. Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in St. Johns County (or an adjacent county), Florida, each year during the calendar year at a day, place and time designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members.

3.2. Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Board of Directors, and may also be called by

members having at least ten percent (10%) of the voting interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3. Notice of Meetings; Waiver of Notice. Notice of all members' meetings must state the time, date, and place of the meeting. The notice must be mailed to each member at his address as it appears on the books of the Association, or may be furnished by personal delivery. The member is responsible for providing the Association with any change of the members' address. The notice must be mailed or delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a unit is transferred after notice has been mailed, no separate notice to the new owner is required. Attendance at any meeting by a member constitutes waiver of notice by that member unless the member objects to the lack of notice at the beginning of the meeting. A member may waive notice of any meeting at any time, but only by written waiver.

3.4. Notice of Annual Meeting; Special Requirements. Notice of the annual meeting shall be posted in a conspicuous place on the condominium property at least fourteen (14) days prior to the annual meeting. Notice of the annual meeting shall be sent by first class mail to each owner. An affidavit of the officer, manager, or other person providing notice of the Association meeting shall be retained in the Association records as proof of such mailing or a United States Postal Service certificate of mailing. Notice of the annual meeting may, alternatively, be delivered in person if a written waiver of mailing is obtained.

3.5. Quorum. A quorum at members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least 40 of the votes of the voting interests.

3.6. Vote Required. The acts approved by a majority of the votes cast at a meeting at which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a higher vote is required by law or by any provision of the condominium documents.

3.7. Proxy Voting. Votes may be cast at a meeting in person or by proxy. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall 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 the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the unit, specify the date, time and place of the meeting for which it is given and the original should be delivered to the Secretary at least forty-eight (48) hours before the appointed time of the meeting or adjournment thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall

have the right, if the proxy so provides, to substitute another person to hold the proxy.

3.8. Adjourned Meetings. Any duly called meeting of the members may be adjourned to a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. When a meeting is adjourned it shall not be necessary to give notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

3.9. Order of Business. The order of business at members' meetings shall be substantially as follows:

- (A) Call of the roll or determination of quorum.
- (B) Reading or disposal of minutes of last members meeting
- (C) Reports of Officers
- (D) Reports of Committees
- (E) Election of Directors (annual meeting only)
- (F) Unfinished Business
- (G) New Business
- (H) Adjournment

3.10. Minutes. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by members or their authorized representatives and Board members at all reasonable times and for a period of seven (7) years after the meeting. Minutes must be reduced to written form within thirty (30) days after the meeting at which they were taken.

3.11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with these Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.12. Action by Members Without Meeting. Except for the holding of the annual meeting and the election of Directors, any action required or permitted to be taken at a meeting of the members may be taken by mail without a meeting if written consents, setting forth the action to be taken, are signed by the members having not less than the minimum number of votes that would be necessary to take such action at a meeting, or sixty percent (60%) of the total votes of the entire membership, whichever is greater, unless a lesser vote is required by law. If the requisite number of written consents are received by the Secretary within thirty (30) days of mailing notice of the proposed action to the members, a resolution passed by the Board of Directors on the action so authorized shall be of full force and effect as if a full membership meeting had been held. Within ten (10) days after adopting the resolution, the Board shall send written notice of the action

taken to all members who have not consented in writing. Nothing in this paragraph shall be construed in derogation of members' rights to call a special meeting of the membership, as elsewhere provided in these Bylaws. If the vote is obtained by polling the unit owners by mail, the unit owners list on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to approval or consent of the unit owners only when such is specifically required.

4.1. Number and Terms of Service. The number of Directors which shall constitute the whole Board of Directors shall be 5. Directors shall be elected annually and shall serve until the annual meeting at which his successor is duly elected, unless he sooner resigns or is recalled as provided in 4.5 below. Directors shall be elected by the members at the annual meeting, or in the case of a vacancy, as provided in 4.4 below.

4.2. Qualifications. Each Director shall be a member or the spouse of a member.

4.3. Nominations and Elections. At each annual meeting the members present in person shall elect the directors. The nominating committee, if any, shall nominate its recommended candidates for the office of Director on the floor at the annual meeting, at which time any other eligible persons may also be nominated. Directors shall be elected by a plurality of the votes cast at the annual meeting. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one vote for any nominee, it being the intent hereof that voting for Directors shall be non-cumulative. The candidates receiving the highest number of votes shall be declared elected, except that a run-off may be held to break a tie vote. Proxies may not be used in the election of directors.

4.4. Vacancies on the Board. If the office of any Director or Directors becomes vacant for any reason, a majority of the remaining Directors, though less than a quorum, shall promptly choose a successor or successors who shall hold office until the next annual meeting. At the next annual meeting, the members shall elect a person or persons to fill the remaining unexpired term or terms, if any. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the members shall elect successors at a special meeting.

4.5. Removal of Directors. Any or all Directors may be removed with or without cause by a majority vote of the entire membership, either by a written petition or at any meeting called for that purpose. If a meeting is held or a petition is

filed for the removal of more than one Director, the question shall be determined separately as to each Director sought to be removed. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given.

4.6. Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors at such place and time as may be fixed and announced by the Directors at the annual meeting at which they were elected.

4.7. Other Meetings. Meetings of the Board may be held at such time and place in St. Johns County, Florida, or as shall be determined from time to time by the President or a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegram at least two (2) days prior to the day named for such meeting.

4.8. Notice to Owners. Meetings of the Board of Directors shall be open to members, and notices of all Board meetings shall be posted conspicuously on the condominium property at least forty-eight (48) hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting where assessments against units are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of the assessments. No other notice of the proposed agenda need be given. The right of owners to attend does not include the right to participate unless invited to do so.

4.9. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10. Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting. Directors may not vote or participate by proxy at Board meetings.

4.11. Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the condominium documents or by applicable statutes.

4.12. Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest.

4.13. Adjourned Meetings. The majority of those present at any meeting of the Board of Directors, regardless of whether a quorum has been attained, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.14. The Presiding Officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those present.

4.15. Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such unless compensation for their services is first approved by at least a majority of the voting interests. Directors and officers shall be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.16. Committees. The Board of Directors may appoint from time to time such standing or temporary committees, including a nominating committee, as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee.

5. OFFICERS.

5.1. Officers and Elections. The executive officers of the Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.

5.2. President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring seal of the Association, except where such are

permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

5.3. Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.

5.4. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5. Treasurer. The Treasurer shall be responsible for Association funds and securities and the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall oversee the disbursement of the funds of the Association, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, an accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

6.1. Depository. The Association shall maintain its accounts in such federally insured financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles.

6.2. Budget. The Board of Directors shall adopt a budget of common expenses for each fiscal year. A copy of the proposed budget and a notice stating the time, date and place

of the meeting of the Board at which the budget will be adopted shall be mailed to or served on the owner of each unit not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income and expense classifications.

6.3. Amended Budget. If the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

6.4. Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by a formula based upon estimated life and replacement cost of each item. These reserves shall be funded unless the members subsequently determine by majority vote of those present in person or by proxy at a duly called meeting to fund no reserves or less than adequate reserves for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in 6.2 above. Reserves funded under this paragraph shall be used only for the purposes for which they were reserved, unless their use for other purposes is first approved by a majority of the voting interests present and voting at a members' meeting called for the purpose.

6.5. Other Reserves. In addition to the statutory reserves provided in 6.4 above, or in place of them if the members so vote, the Board may establish one or more additional reserve accounts for contingencies, operating expenses, repairs, minor improvements or deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

6.6. Assessments. Regular annual assessments based on the adopted budget shall be paid in monthly installments. Installments shall be paid in advance, due on the first day of each month. Written notice of the installment amount shall be sent to the members at least fifteen (15) days prior to the due date of the first installment. Failure to send or receive such notice shall not excuse the obligation to pay. If an annual budget has not been adopted at the time the first installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last installment, and shall be continued at such rate until a budget is adopted and pro rata assessments are calculated, at which time any overage or

shortage calculated shall be added or subtracted from each unit's next due installment.

6.7. Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The total of all special assessments made in any fiscal year shall not exceed fifteen percent (15%) of the total annual budget for that year, including reserves, unless a majority of the voting interests first consent. The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or returned to the members as provided by law.

6.8. Fidelity Bonds. The Treasurer, and all other officers who are authorized to sign checks, and all other persons having access to or control of Association funds, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premiums on such bonds shall be a common expense.

6.9. Financial Information. Not later than ninety (90) days after the close of each fiscal year, the Board shall prepare a financial statement consisting of either a compilation, review, or audit as required by law showing in reasonable detail the financial condition of the Association as of the close of its fiscal year and an income and expense statement for the year, detailed by accounts. Copies of this statement shall be furnished to each member. This requirement may be waived by a majority of the voting interests present at a duly called meeting of the Association. The meeting shall be held not less than thirty (30) days prior to the end of the fiscal year and the waiver shall be effective for only one (1) fiscal year.

6.10. Co-Mingling of Funds. All monies collected by the Association may be divided into two or more funds, as determined by the Board of Directors. Reserve, special assessment and operating funds of the association shall not be commingled. When the association receives payments containing both reserves and operating funds, the association may deposit the payment into a single fund before making a prompt disbursement to the appropriate fund(s).

6.11. Application of Payments. All payments on account by a unit owner shall first be applied as to interest, costs and attorney's fees, other charges, and delinquencies. Thereafter, remaining sums shall then be applied to regular or special assessments, in such manner and amounts as the Board of Directors may determine, subject to Section 10.6 of the Declaration.

6.12. Fiscal Year. The fiscal year for the Association shall begin on the first day of May of each calendar year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to

time prescribed in the Internal Revenue Code of the United States of America.

7. RULES AND REGULATIONS; USE RESTRICTIONS. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the operation, use, maintenance, management and control of the common elements and the Association. Copies of such rules and regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owners and uniformly applied and enforced.

8. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in Section 19 of the Declaration, the following provisions shall apply:

8.1. Fines. The Board of Directors may levy reasonable fines against units whose owners commit violations of the Condominium Act, the provisions of the condominium documents or Association rules and regulations, or condone such violations by their family members, guests or lessees. The fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amount allowed by law. The procedure for imposing such fines shall be as follows:

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

- (A)1. A statement of the date, time and place of the hearing;
- (A)2. A statement of the provisions of the Declaration, Bylaws or rules which have allegedly been violated; and,
- (A)3. A short and plain statement of the matters asserted by the Association.

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

8.2. Correction of Health and Safety Hazards. Any violations which are deemed by the Board of Directors to be a hazard to the public health or safety may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the unit owner.

8.3. Voluntary Binding Arbitration. In the event of any dispute between one or more unit owners and/or the

Association arising from the operation of the Condominium, the parties may submit the dispute to voluntary binding arbitration under the rules of the Division of Florida Land Sales, Condominiums and Mobile Homes.

8.4. Enforcement of Rules and Regulations. If any dispute over the enforcement, interpretation or validity of Association Rules and Regulations should arise, either between two or more unit owners, or between the Association and one or more unit owners, it is intended that such dispute be resolved by agreement or by voluntary binding arbitration, and not by resort to the courts. The prevailing party in such a dispute shall be entitled to recover its reasonable attorney's fees in any lawsuit involving the disputed matters, except that in order to encourage the use of voluntary binding arbitration and discourage exasperating lawsuits over trivial matters, a party shall not be entitled to recover attorney's fees as the prevailing party if that party has:

- (A) Refused, or failed to accept in writing, within thirty (30) days from its delivery, a written offer from the other party to submit the dispute to voluntary binding arbitration; or
- (B) Refused or failed to cooperate or participate in submitting the disputed matters to arbitration promptly upon reaching an agreement to arbitrate; or
- (C) Refused or failed to cooperate or participate in completing the arbitration process, once it has been initiated; or
- (D) Filed a lawsuit involving the disputed matters without first making the written offer to the other party specified in 8.4.(A) above.

Nothing herein shall be construed to prevent the Association from recovering attorney's fees in any action brought to collect unpaid assessments or to require the Association to submit assessment collection disputes to arbitration.

8.5. Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the condominium property free from unreasonable restraint and annoyance.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

9.1. Proposal. Amendments to these Bylaws shall be proposed by a majority of the Board or upon written petition signed by at least ten percent (10%) of the voting interests.

9.2. Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or unit owners, such proposed amendment or amendments shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can still be given.

9.3. Vote Required. Except as otherwise provided by law, or by specific provision of the condominium documents, these Bylaws may be amended by concurrence of two-thirds (2/3) of the voting interests present in person or by proxy at any annual or special meeting provided that notice of any proposed amendment has been given to all the members in accordance with law. Amendments may be adopted without a meeting by following the procedure set forth in Section 3.12 of these Bylaws.

9.4. Recording; Effective Date. A copy of each amendment shall be attached to a certificate that the amendment was duly adopted, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of St. Johns County, Florida. The certificate shall identify the book and page of the Public Records where each Declaration of Condominium for all condominiums operated by the Association is recorded.

10. MISCELLANEOUS.

10.1. Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

10.2. Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

10.3. Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Condominium or Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of the Bylaws.

10.4. Amendment of Articles of Incorporation. The Articles of Incorporation of the Association may be amended in the manner provided therein.

- - - End of Bylaws - - -