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DECLARATION OF CONDOMINIUM OF
THE FAIRWAYS CONDOMINIUM AT PALM COAST

THIS DECLARATION OF CONDOMINIUM made by PALM COAST CONSTRUCTION COMPANY, a Florida corporation, hereinafter referred to as "Developer", for itself, its successors, grantees and assigns.

ARTICLE I

SUBMISSION STATEMENT

PALM COAST CONSTRUCTION COMPANY, a Florida corporation, being the owner of record of the fee simple title to the real property situate, lying and being in Flagler County, Florida, as more particularly described in Exhibit B-1, which is made a part hereof as though fully set forth herein, hereby states and declares that said real property is submitted to Condominium ownership, pursuant to Chapter 718, Florida Statutes (hereinafter referred to as the "Condominium Act") upon the terms, conditions, easements, restrictions, reservations and Limitations hereinafter set forth, and the provisions of said Condominium Act, as presently constituted, are hereby incorporated by reference and included thereby, and does herewith file for record this Declaration of Condominium.

DEFINITIONS. As used in this Declaration of Condominium and By-Laws and Exhibits attached hereto, and all Amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

A. ASSESSMENT means a share of the funds required for the payment of Common expenses, which from time to time is assessed against the Unit owner.

B. ASSOCIATION means THE FAIRWAYS CONDOMINIUM AT PALM COAST, INC., a non-profit corporation (hereinafter referred to as "Association"), said Association being the entity responsible for the operation of the Condominium.

C. BY-LAWS and ARTICLES means the By-Laws and Articles of the Association as they exist from time to time.

D. CONDOMINIUM mean that form of ownership of real property under which Units are subject to ownership by one or more owners, and there is appurtenant to each Unit, as part thereof, an undivided share in the Common elements.

E. CONDOMINIUM ACT means and refers to the Condominium Act of the State of Florida (F.S. 718, et seq.) in effect as of the Date of Recordation of this Declaration.

F. CONDOMINIUM DOCUMENTS means this Declaration, the Articles of Incorporation and By-Laws of the Association and all other Exhibits attached hereto, as amended.

G. UNIT or CONDOMINIUM UNIT is a Unit as defined in the Condominium Act, referring herein to each of the separate and identified Units delineated in the Survey Exhibits attached to the Declaration as Exhibit B and when the context permits, the Condominium Parcel includes such Unit, including its share of the Common elements appurtenant thereto. The physical boundaries of each Unit are as delineated in the Survey Exhibits aforescribed and are as more particularly described in Article III of this Declaration.

H. CONDOMINIUM PARCEL or PARCEL means a Unit, together with the undivided share in the Common elements which is appurtenant to the Unit.

I. CONDOMINIUM PROPERTY means and includes the lands and personal property that are subject 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 Parcel.

J. COMMON ELEMENTS means the portions of the Condominium property not included in the Units.

K. COMMON EXPENSES means the expenses and assessments incurred by the Association for the Condominium.

L. COMMON SURPLUS means the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenues on account of the Common elements over the Common expenses.

M. DECLARATION or DECLARATION OF CONDOMINIUM means this instrument and any amendments thereto that may be recorded from time to time.

N. DEVELOPER means PALM COAST CONSTRUCTION COMPANY, a Florida corporation, its successors and assigns.

O. INSTITUTIONAL MORTGAGEE means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an Agency of the United States Government, a real estate or mortgage investment trust, or a lender generally recognized in the community as an institutional type lender. An individual mortgage on a Unit may be placed through an institutional mortgagee.

P. 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 as specified in this Declaration.

Q. OCCUPANT means the person or persons in possession of a Unit, including the Unit owner.

R. UNIT OWNER or OWNER OF A UNIT means the owner or group of owners of a Condominium Parcel.

S. REGULATIONS means rules or regulations respecting the use of the Condominium Property that have been adopted by the Association from time to time in accordance with its Articles of Incorporation and By-Laws.

Unless the context otherwise requires, all other terms used in this Declaration shall be assumed to have the meaning attributed to said term by F. S. 718.103 of the Condominium Act as of the date of this Declaration.

ARTICLE II

The name by which this Condominium is to be identified shall be THE FAIRWAYS CONDOMINIUM AT PALM COAST.

ARTICLE III

SURVEY, PLOT PLAN, GRAPHIC DESCRIPTION

AND IDENTIFICATION OF UNITS

A. Survey Exhibits - The Survey Exhibits attached hereto and made a part of this Declaration consist of the following:

- Exhibit A: Building and Floor plan for all phases.
- Exhibit B-1: Plot plan, legal description
and survey for Phase I.
- Exhibit B-2: Plot plan, legal description
and survey for Phase II.
- Exhibit B-3: Plot plan, legal description
and survey for Phase III.
- Exhibit B-4: Plot plan, legal description
and survey for Phase IV.
- Exhibit B-5: Plot plan, legal description
and survey for Phase V.
- Exhibit B-6: Plot plan, legal description
and survey for Phase VI.
- Exhibit B-7: Plot plan, legal description
and survey for Phase VII.
- Exhibit B-8: Plot plan, legal description
and survey for Phase VIII.
- Exhibit B-9: Plot plan, legal description
and survey for Phase IX.

Exhibit B-10: Plot plan, legal description
and survey for all phases.

All of the above being hereinafter referred to as the
"Survey Exhibits".

At the time of the execution of this Declaration, the lands described in Exhibits B-1 have been submitted to the condominium form of ownership. Exhibit B-1, together with Exhibit A are in sufficient detail to identify the location, dimensions and size of the each unit and the location of common elements and limited common elements. Accordingly, the Survey Exhibits representing Phase I have been certified by a Florida Registered Land Surveyor indicating statutory compliance with Section 718.104(4) (e), Florida Statutes. Phases II-IX are also set forth in the Survey Exhibits, and together with Exhibit A, they are delineated in sufficient detail to identify the location, dimensions and size of each unit and the location of the Common elements and Limited common elements. Upon the submission of an additional phase, amendments will be made to this Declaration in accordance with the procedure hereinafter provided, at which time, the final Survey Exhibits as to each phase submitted to condominium form of ownership will be provided in the same manner as Phase I.

B. Unit Identification. The Condominium property consists of the land described in those parts of Exhibit B attached hereto that have been made a part of this Condominium from time to time, together with the buildings and other improvements constructed thereon, which includes the Units, Common elements and Limited common elements. Exhibit A to this Declaration sets forth the five different types of apartment buildings in the Condominium, together with the floor plan for each type and each type of building is identified by a letter designation, i.e. "A" through "E" inclusive. Each of the apartment buildings in the Condominium are designated by an identifying number and the Buildings are numbered consecutively commencing with the number "1". Therefore, no apartment building in the condominium bears

the same identifying number as any other building. Each building consists of two (2) stories which are designated as the first floor and second floor respectively. In each of the types of apartment buildings, there are apartment units, each of which is declared to be a Condominium unit, and each Condominium unit is designated by a three-digit identifying number. The first digit identifies the floor upon which the apartment unit is located, to wit: "1" corresponds to the first floor and "2" corresponds to the second floor and the next two digits, "01" and "02" respectively, identify the particular condominium unit on each floor. Each Condominium unit is further identified by the numerical and letter designation of the Apartment building in which it is located following the three digit numbers. By way of example, "101-1A" represents the first floor Condominium unit 101 of building 1 of an "A" designated building and 201-1A represents the second floor unit of Building 1 of an A designated building. Therefore, no Unit bears the same identifying number as does any other Unit. The aforesaid numbers as to the Unit are also the identifying numbers as to the Parcel. Each Unit, together with all appurtenances thereto, shall, for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, transferred or encumbered in the same manner as any other parcel of real property, subject only to the provisions of the Condominium Documents and easements, restrictions, reservations and limitations of record.

C. Unit Boundaries. Each Unit shall consist of the space bounded on the perimeter by the vertical projections of the Unit boundary lines as shown on the drawings included in Exhibit A hereto and bounded at the bottom and top by the horizontal planes at the floor and ceiling elevations as set forth in Exhibit B. The said boundaries are more particularly described as follows.

(1) Upper Boundary - the upper boundary of each Unit shall be the plane or planes of the unfinished ceiling

extended to the intersection of such plane or planes with the parimetrical boundary of the Unit as hereinafter described.

(2) Lower Boundary - the lower boundary of each Unit shall be the horizontal plane of the unfinished floor extended to the intersection of such plane with the parimetrical boundary of the Unit as hereinafter described.

(3) Parimetrical Boundaries - the parimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior of the walls bounding the Unit, extended to intersections with each other and with the upper and lower boundaries.

The space within each of the Units shall not be further subdivided. Interior partitions and walls shall be part of the Unit.

ARTICLE IV

VOTING RIGHTS

There shall be one person with respect to each Unit ownership who shall be entitled to vote at any meeting of the Unit owners. Such person shall be known (and is hereinafter referred to) as a "Voting Member". If a Unit is owned by more than one person, the owners of said Unit shall designate one of them as the Voting Member, or in the case of a corporate Unit owner, an officer or employee thereof shall be the Voting Member. The designation of the Voting member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Association. The total number of votes shall be equal to the total number of Units in the Condominium, and each Condominium Unit shall have no more and no less than one (1) vote in the Association. If a Unit owner owns more than one Condominium Unit, he shall be entitled to one (1) vote for each Unit owned.

ARTICLE V

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OWNERSHIP OF COMMON ELEMENTS

Each of the Unit owners of the Condominium shall own an undivided interest in the Common elements and Limited common elements, and the undivided interest, based upon a fraction, the numerator of which shall be one (1) and the denominator of which is based upon the total number of Units as have been created from time to time and made a part of this Condominium by the Developer as provided for herein.

The fee title to each Condominium parcel shall include both the Condominium Unit and the above respective undivided interest in the Common elements, said undivided interest in the Common elements to be deemed to be conveyed or encumbered with its respective Condominium Unit. Any attempt to separate the fee title to a Condominium Unit from the undivided interest in the Common elements appurtenant to each Unit shall be null and void. The term "Common elements", when used throughout this Declaration, shall mean both Common elements and Limited common elements, unless the context otherwise specifically requires.

ARTICLE VI

COMMON EXPENSES AND SURPLUS

The Common expense and Common surplus of the Condominium shall be shared by the Unit owners based upon a fraction, the numerator of which is one (1) and the denominator of which is based upon the total number of Units that have been created from time to time and made a part of this Condominium by the Developer as provided for herein. The foregoing ratio of sharing Common expenses and assessments shall remain, regardless of the purchase price of the Condominium parcels, their locations, or the building square footage included in each Condominium Unit.

Any common surplus of the Association shall be owned by each of the Unit owners in the same proportion as their fractional ownership interest in the Common elements, any Common

surplus being the excess of all receipts of the Association from this Condominium, including, but not limited to, assessments, rents, profits and revenues on account of the Common elements of this Condominium over the amount of the Common expenses of this Condominium.

ARTICLE VII

METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the Unit owners of this Condominium called or convened in accordance with the By-Laws, by the affirmative vote of Voting Members casting not less than three-fourths (3/4ths) of the total vote of the members of the Association.

All Amendments shall be recorded and certified, as required by the Condominium Act. Except as otherwise provided for in this Article VII, no Amendment shall change any Condominium Parcel nor a Condominium Unit's proportionate share of the Common expenses or Common surplus, nor the voting rights appurtenant to any Unit, unless the record owner or owners thereof, and all record owners of mortgages or other voluntarily placed liens thereon, shall join in the execution of the Amendment. No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgagees, or change the provisions of this Declaration with respect to Institutional mortgagees, without the written approval of all Institutional mortgagees of record, nor shall the provisions of Article XII of this Declaration be changed without the written approval of all Unit owners and of all record owners of mortgages. No Amendment shall change the rights and privileges of the Developer without the Developer's prior written approval.

Notwithstanding the foregoing paragraphs of this Article VII, the Developer reserves the right to change the design and arrangement of all Units, and to alter the boundaries between Units, as long as the Developer owns the Units so altered; however, no such change shall increase the number of Units

without Amendment of this Declaration in the manner hereinbefore set forth. If the Developer shall make any changes in Units, as provided in this paragraph, such changes shall be reflected by the Amendment of this Declaration with a survey attached, reflecting such authorized alteration of Units, and said Amendment need only be executed and acknowledged by the Developer and any holders of Institutional mortgages encumbering the said altered Units. The survey shall be certified in the manner required by the Condominium Act. If more than one Unit is concerned, the Developer shall apportion between the Units concerned, together with apportioning the Common expenses and Common surplus of the Units concerned, and such shares of Common elements, Common expenses and Common surplus of the Units concerned shall be duly noted in the Amendment of the Declaration.

Notwithstanding the other paragraphs of this Article VII, the Developer expressly reserves the right to amend this Declaration for one or any combination of the following purposes:

- A) To conform to the requirements of any prospective Institutional mortgagee; or
- B) To conform this Declaration to the requirements of any valid statute or rule or regulation affecting the subject matter hereof.

Said Amendments may be made and executed solely by the Developer and without any requirement of securing the consent of any Unit owners or any others, and without regard to any other provision herein contained regarding amendments, and said amendment shall be duly filed in the public records of Flagler County, Florida.

Notwithstanding the provisions of this Article VII, the Declaration and Exhibits thereto, where applicable, may be amended for the purposes set forth in and pursuant to F.S. 718.110(5) and the Declarations and Exhibits thereto, where applicable, may be amended for the purposes set forth and pursuant to the provisions of F.S. 718.304(1), subject only to the unanimous approval of the full Board of Directors.

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Notwithstanding the foregoing paragraphs of this Article VII, the Developer reserves the right to amend this Declaration of Condominium and Exhibits attached thereto to add one or more phases to this Condominium pursuant to Article XXI of this Declaration and F.S. 718.403. The aforesaid amendment shall not require the execution of such amendment or consents thereto by Unit owners, the Condominium Association nor the members thereof, nor the owner and holder of any lien or mortgage encumbering a Condominium Parcel in this Condominium and said amendment shall only be required to be executed by the Developer and recorded in the Public Records of Flagler County, Florida.

ARTICLE VIII

ASSOCIATION

The operating entity of the Condominium shall be THE FAIRWAYS CONDOMINIUM AT PALM COAST, INC., a Florida non-profit corporation, which is responsible for the operation of the Condominium. The Association shall have all of the powers and duties set forth in the Condominium Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration, the By-Laws of the Association and its Articles of Incorporation, a copy of said Articles of Incorporation being attached hereto as Exhibit C and made a part hereof and all of the powers and duties necessary to operate the Condominium, as set forth in this Declaration and the By-Laws as they may be amended from time to time.

Every owner of a Condominium Parcel, whether he has acquired his ownership by purchase, by gift, by conveyance or transfer by operation of law, or otherwise, shall be bound by the By-Laws and Articles of Incorporation of said Association, the provisions of this Declaration and all Exhibits attached hereto. Membership in the Association shall terminate upon the termination of ownership of a Condominium Parcel in this Condominium.

ARTICLE IX

BY-LAWS

The operation of the Condominium Property shall be governed by the By-Laws of the Association, which are set forth

in a document which is annexed to this Declaration, marked Exhibit D and made a part hereof.

No modification of or amendment to the By-Laws of said Association shall be valid unless set forth in or attached to a duly recorded amendment to this Declaration. The By-Laws may be amended in the manner provided for therein, but no amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Condominium Parcel or which would change the provisions of the By-Laws with respect to Institutional mortgagees of record. No amendment shall change the rights and privileges of the Developer without the Developer's written consent.

ARTICLE X

ASSESSMENTS

The Association, through its Board of Directors, shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common expenses of the Condominium Property and such other assessments as are specifically provided for in this Declaration and Exhibits attached hereto. The procedure for the determination of all such assessments shall be as set forth in the By-Laws of the Association, this Declaration and the Exhibits attached hereto.

Special Assessments for insurance premiums may be determined by the Board of Directors, and they shall be charged and paid by each Unit pursuant to the terms and provisions of Article XII hereafter. Such Special Assessments for insurance premiums pursuant to Article XII are not common expenses of the Condominium, nor are they Special Assessments for common expenses of the Condominium.

The Common expenses shall be assessed against each Condominium Parcel owner as provided for in Article VI of this Declaration. Assessments and installments that are unpaid for over ten (10) days after due date shall bear interest at the rate

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of ten (10%) per cent per annum from due date until paid, and at the sole discretion of the Board of Directors a late charge of Twenty-Five and no/100 (\$25.00) Dollars shall be due and payable.

Assessments shall be made for the calendar year annually, in advance, on December 1st preceding the year for which assessments are made, and such assessments shall constitute a lien for the total amount of all such annual assessments against the Unit for which assessment is made. Such assessments shall be due in four (4) quarterly installments on January 1st, April 1st, July 1st and October 1st of the year for which the assessments are made. Upon default by any Unit owner in the payment of such quarterly installments, within thirty (30) days after the due date thereof, the Association, at its option and without notice, shall be entitled to accelerate the payment of the balance of the quarterly installments for the then-current assessment year. In the event that such annual assessment proves to be insufficient, it may be amended at any time, in writing, by resolution of the Board of Directors of the Association, and the unpaid assessment for the remaining portion of the year shall be apportioned over the remaining quarterly installments for that year. If an annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.

The Association shall have a lien on each Condominium Parcel for unpaid assessments, together with interest thereon, a claim against the Unit owner of such Condominium Parcel, together with a lien on all tangible personal property located within said Unit, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorney's fees, including fees on appeal, incurred by the Association incident to the collection of such assessments or the enforcement of such lien, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required

to be advanced by the Association in order to preserve and protect its lien, shall be payable by the Unit owner and secured by such lien. The aforesaid lien shall also include those sums advanced on behalf of a Unit owner in payment of his obligation under any Management Agreement, and the Board of Directors may take such action as they deem necessary to collect assessments by personal action or by enforcing said lien and may settle and compromise same if deemed in the Association's best interest. Said lien shall be effective as and in the manner provided for by the Condominium Act and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid all sums due, as provided herein, covered by the lien enforced. In case of such foreclosure, the Unit owner shall be required to pay a reasonable rental for the Condominium parcel for the period of time said parcel is occupied by the Unit owner or anyone by, through, or under said Unit owner, and Plaintiff in such foreclosure shall be entitled to the appointment of a Receiver to collect same from the Unit owner and/or occupant.

Where the Institutional mortgagee of a first mortgage of record, or other purchaser of a Condominium Unit, obtains title to a Condominium parcel as a result of foreclosure or the Institutional first mortgagee of record accepts a deed to said Condominium parcel in lieu of foreclosure, such acquirer of title, its successors and assigns, shall not be liable for the shares of Common expenses of assessments by the Association pertaining to such Condominium parcel, or chargeable to the former Unit owner of such parcel, which became due prior to acquisition of title as a result of foreclosure or the acceptance of such deed in lieu of foreclosure unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage. Such unpaid share of Common expenses or assessments shall be deemed to be Common

expenses collectible from all of the Unit owners, including such acquirer, his successors and assigns.

Any person who acquires an interest in a Unit, except through foreclosure of an Institutional first mortgage of record or by virtue of an Institutional first mortgagee accepting a deed to a Condominium parcel in lieu of foreclosure, as specifically provided hereinabove including, without limitation, persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to occupancy of the Unit or enjoyment of the Common elements until such time as all unpaid assessments due and owing by the former Unit owners have been paid. The Association, acting through its Board of Directors, shall have the right to assign its claim of lien rights for the recovery of any unpaid assessments to the Developer, or to any Unit owner or group of Unit owners, or to any third party.

ARTICLE XI

SALE, RENTAL, MORTGAGING, OR OTHER

ALIENATION OF CONDOMINIUM UNITS

A. Sale Or Rental Of Units. In the event any Unit owner wishes to sell, rent, transfer, or lease his Unit, the Association shall have the option to purchase, rent or lease said Unit upon the same conditions as are offered by the Unit owner to a third person. Any attempt to sell, rent or lease said Unit without prior offer to the Association shall be deemed a breach of this Declaration and shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser, tenant or lessee.

Should a Unit owner wish to sell, lease, transfer or rent his Condominium unit, he shall, before accepting any offer to purchase, sell, lease, transfer or rent his Condominium unit, deliver to the Board of Directors of the Association a written Notice containing the terms of the offer he has received or which he wishes to accept, the name and address of the person to whom

the proposed sale, rental, lease or transfer is to be made, two (2) bank references and three (3) individual references (local, if possible), and such other information, to be requested within five (5) days from receipt of such Notice, as may reasonably be required by the Board of Directors of the Association. The Board of Directors of the Association is authorized to waive any or all of the requirements aforementioned.

The Board of Directors of the Association, within ten (10) days after receiving such Notice and such supplemental information as is required by the Board of Directors, shall either: consent to the transaction specified in said Notice; or by written notice to be delivered to the Unit owner's unit, or mailed to the place designated by the Unit owner in his Notice, designate the Association or may designate one or more persons, Unit owners or any other person satisfactory to the Board of Directors of the Association, who are willing to purchase, lease, or rent upon the same terms as those specified in the Unit owner's Notice; or object to the sale, leasing or renting to the prospective purchaser, tenant or lessee for good cause, which cause need not be set forth in the notice from the Board of Directors to the Unit owner. However, the Association shall not unreasonably withhold its consent to the prospective sale, rental or lease.

The stated designee of the Board of Directors shall have fourteen (14) days from the date of the notice sent by the Board of Directors within which to make a binding offer to buy, lease or rent upon the same terms and conditions specified in the Unit owner's Notice. Thereupon, the Unit owner shall either accept or reject such offer or withdraw the offer specified in his Notice to the Board of Directors. Failure of the Board of Directors to designate such person or failure of such person to make such offer within the said ten (10) day period, or failure of the Board of Directors to object for good cause, shall be deemed consent by the Board of Directors to the transaction.

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specified in the Unit owner's Notice, then the Unit owner shall be free to make or accept the offer specified in his Notice and sell, lease or rent said interest pursuant thereto to the prospective purchaser or tenant named therein within ninety (90) days after the unit owner's Notice was given.

The consent of the Board of Directors of the Association shall be in recordable form, signed by two (2) officers of the Association and shall be delivered to the purchaser or lessee. Should the Board of Directors fail to act, as herein set forth and within the time provided herein, the Board of Directors of the Association shall, nevertheless, thereafter prepare and deliver its written approval, in recordable form as aforesaid, and no conveyance of title or interest whatsoever shall be deemed valid without the consent of the Board of Directors as herein set forth.

The subleasing or subrenting of a Unit owner's interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The Association shall have the right to require that a substantially uniform form of lease or sublease be used or in the alternative, thereafter, the Board of Directors' approval of the lease or sublease form to be used shall be required. After approval, as herein set forth, entire units may be rented, provided the occupancy is only by the lessee, his family and guests. No individual rooms may be rented and no transient tenants may be accommodated.

Where a corporate entity is the owner of a Unit, it may designate the occupants of the Units as it desires and for such periods of time as it desires without compliance with the provisions of Section "A" of this Article XI. The foregoing shall not be deemed an assignment or subleasing of a Unit and shall be deemed to be in compliance with the provisions of the first Paragraph of Article XI of this Declaration.

B. Mortgage and Other Alienation of Units.

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1. A Unit owner may not mortgage his Unit or any interest therein without the approval of the Association except to an Institutional mortgagee as hereinbefore defined. The approval of any other mortgagee may be upon conditions determined by the Board of Directors of the Association and said approval, if granted, shall be in recordable form, executed by two (2) officers of the Association. Where a Unit owner sells his Unit and takes back a Purchase money mortgage, the approval of the Association shall not be required.

2. No judicial sale of a Unit or any interest therein shall be valid unless:

(a) The sale is to a purchaser approved by the Association which approval shall be in recordable form, executed by two (2) officers of the Association and delivered to the purchaser; or

(b) The sale is a result of a public sale with open bidding.

3. Any sale, mortgage or lease which is not authorized pursuant to the terms of the Declaration shall be void unless subsequently approved by the Board of Directors of the Association and said approval shall have the same effect as though it had been given and filed of record simultaneously with the instrument it approved.

4. The foregoing provisions of this Article XI shall not apply to transfers by a Unit owner to any member of his immediate family, to-wit: spouse, children or parents.

The phrase "sell, rent or lease", in addition to its general definition, shall be defined as including the transfer of a Unit owner's interest by gift, devise or involuntary or judicial sale.

In the event a Unit owner dies and his unit is conveyed or bequeathed to some person other than his spouse, children or parents or if some other person is designated by the decedent's

legal representative to receive the ownership of the Condominium unit, or if under the laws of descent and distribution of the State of Florida, the Condominium unit descends to some person or persons other than the decedent's spouse, children or parents, the Board of Directors of the Association may within thirty (30) days of proper evidence or rightful designation served upon the President or any other officer of the Association or within thirty (30) days from the date the Association is placed on actual notice of the said devisee or decedent, express its refusal or acceptance of the individual or individuals so designated as the owner of the Condominium Parcel.

If the Board of Directors of the Association shall consent, ownership of the Condominium Parcel may be transferred to the person or persons so designated who shall, thereupon, become the owner of the Condominium Parcel, subject to the provisions of this Declaration and Exhibits attached thereto.

If, however, the Board of Directors of the Association shall refuse to give consent, then the members of the Association shall be given an opportunity, during thirty (30) days next after said last above-mentioned thirty (30) days, within which to purchase, or to furnish a purchaser, for cash the said Condominium Parcel at the then fair market value thereof.

Should the parties fail to agree on the value of such Condominium Parcel, the same shall be determined by an appraiser appointed by the Senior Judge of the Circuit Court in and for the area wherein the Condominium is located upon ten (10) days notice on the petition of any party in interest. The expense of appraisal shall be paid by the said designated person or persons or the legal representative of the deceased owner out of the amount realized from the sale of such Condominium parcel. In the event the members of the Association do not exercise the privilege of purchasing or furnishing a purchaser for said Condominium parcel within such period and upon such terms, then, and only in such event, the person or persons so designated may then,

take title to the Condominium parcel, or such person or persons, or the legal representative of the deceased owner, may then sell said Condominium parcel and such sale shall be subject in all other respects to the provisions of this Declaration and Exhibits attached hereto.

5. The liability of the Unit owner under these covenants shall continue, notwithstanding the fact that he may have leased, rented or sublet said interest as provided herein. Every purchaser, tenant or lessee shall take subject to this Declaration, and Exhibits hereto, as well as the provisions of the Condominium Act.

6. Special Provisions re: Sale, Leasing, Mortgaging or Other Alienation by Certain Mortgagees and the Developer.

(a) An Institutional first mortgagee holding a mortgage on a Condominium parcel, upon becoming the owner of a Condominium parcel through foreclosure or by deed in lieu of foreclosure, shall have the unqualified right to sell, lease or otherwise transfer said Unit, including the fee ownership thereof and/or to mortgage said parcel without the prior approval of said Board of Directors and the provisions of Sections A and B, Nos. 1-5 of this Article XI shall be inapplicable to such Institutional first mortgage. Once the Institutional Mortgagee has sold, transferred or conveyed its fee simple interest to any person whomsoever, the provisions of Sections A and B Numbers 1-5 shall again be fully effective with regard to subsequent sales or conveyances of said Unit.

(b) The provisions of Sections A and B, Nos. 1-5 of this Article XI shall be inapplicable to the Developer. Said Developer is irrevocably empowered to sell, lease and/or mortgage Condominium parcels or Units and portions thereof to any purchaser, lessee or mortgagee approved by them.

ARTICLE XII

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INSURANCE

A. CASUALTY AND FLOOD. The Board of Directors of the Association shall keep the Condominium Property insured. The Condominium Property shall include all the buildings erected upon the land and all fixtures and personal property appurtenant thereto owned or used by the Association or constituting part of the common elements or limited common elements. The insurance shall insure the interest of the Association and all Unit owners and their mortgagees as their interests may appear against loss or damage by fire and hazards covered by a standard coverage endorsement and such other risks of a similar or dissimilar nature as are customarily covered with respect to buildings similar in construction, location and use to the buildings erected upon the Condominium Property, in an amount which shall be equal to the maximum insurable replacement value as determined no less than every two (2) years by the insurance carrier if such insurance is reasonably available. In addition to the aforesaid fire and hazards insurance, the Association shall purchase flood insurance on the said improvements in the maximum amount obtainable if the Condominium property is located in an area designated by the Department of Housing and Urban Development as being in a flood zone or flood hazards area. If necessary, the Association is authorized to obtain and accept a policy or policies with a deductible clause if the Association cannot reasonably obtain coverage without such a clause. The Directors shall have no liability to the Association, the members or any other person for the failure to obtain insurance without a deductible clause and/or for the failure to obtain insurance in the full amount of the coverage required hereunder if, in good faith, a majority of their whole number shall have determined that such insurance is not reasonably available.

B. LIABILITY INSURANCE. The Board of Directors of the Association shall obtain liability insurance in such amounts as

the Board of Directors may determine from time to time for the purpose of providing liability insurance coverage for the Common elements and Limited common elements of this Condominium. Each individual Unit owner shall be responsible for the purchasing of liability insurance for accidents occurring in his own Unit. In accordance with the provisions of the Condominium Act, the liability of a Unit owner for common expenses shall be limited to amounts for which he is assessed from time to time in accordance with the Condominium Act, this Declaration and the By-Laws. The owner of a Unit shall have no personal liability for any damages caused by the Association on or in connection with the use of the Common elements except to the extent that and only if the law mandates such personal liability.

A Unit owner shall be liable for injuries or damages resulting from an accident in his own Unit to the same extent and degree that the owner of a house would be liable for an accident occurring within the house. If there shall become available to Condominium Association a program of insurance which will not only insure the Association's liability and the liability of Unit owners with respect to the Common elements and Limited common elements, but also the liability of individual Unit owners with respect to the interior of their Units, then the Association may obtain such liability insurance coverage protecting both the Condominium Association and the Unit owner against all liabilities for damage to persons and property whether occurring within or without a Unit, and the premium therefor shall be a Common expense. If it shall appear that Condominium unit owners in such a program of insurance are entitled to elect additional coverages or excess coverages above those coverages elected by the Association for all Unit owners, then the Association may require the individual Unit owners selecting the excess coverage to pay the reasonable premium for such additional or excess coverage.

C. ASSURED AND LOSS PAYABLE. All casualty insurance policies purchased by the Association hereunder shall be for the

benefit of the Association and all Unit owners and their mortgagees as their interests may appear and shall provide that all proceeds covering casualty losses of \$10,000.00 or less shall be paid to the Association. Any sum in excess of \$10,000.00 shall be paid to an insurance trustee. An insurance trustee shall be any bank or trust company or other corporate trustee authorized for and doing business in either Flagler County or Volusia County, Florida, designated by the Board of Directors of the Association. Said trustee is herein referred to as the "Insurance Trustee". The Insurance Trustee shall not be liable for the payment of premiums or the sufficiency or premiums nor for the failure to collect any insurance proceeds. The Insurance Trustee shall be responsible only for monies which come into its possession and only for its willful misconduct, bad faith or gross negligence. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust pursuant to the terms of the Insurance Trust Agreement between the Association and the Insurance Trustee, which shall not be inconsistent with any of the provisions herein set forth.

D. PAYMENT OF PREMIUMS, TRUSTEE'S EXPENSES AND COLLECTION.

The Board of Directors shall collect and pay the premiums for insurance and all fees and expenses of the Insurance Trustee as a part of the common expenses for which assessments are levied; provided however the casualty and flood insurance may be assessed as provided in Paragraph H of this Article XII.

E. MANDATORY REPAIR. Unless there occurs substantial damage or destruction to all or a substantial part of the Condominium Property as hereinafter defined, and subject to the provisions hereinafter provided, the Association and the Unit owners shall repair, replace and rebuild the damage caused by casualty loss, which shall be borne by the Unit owners in proportion to the shares of the common elements as set forth in Article V of this Declaration.

F. ASSOCIATION AS AGENT. The Association is hereby irrevocably appointed agent for each Unit owner to adjust all claims arising under insurance policies purchased by the Association, and to execute releases thereof.

H. ALTERNATE ASSESSMENT OF CASUALTY AND FLOOD INSURANCE.

(1) The premium cost for casualty and flood insurance on the buildings and improvements on the Condominium property may be equally allocated to all Units in the Condominium as a Common expense or may be changed as a Special Assessment against each Unit as hereinafter provided.

(2) Until all of the Buildings containing the Units for all phases are completed, or until the Rights of the Developer to add phases pursuant to Article XXI of this Declaration have expired, the Association may purchase separate Insurance Policies on each Building and specially assess the insurance. The amount of the insurance premiums to be specially assessed, i.e., charged to each Unit, shall be determined by the Board of Directors, as hereinafter provided. Each building in the Condominium contains four Units and at approximately the time a building in the Condominium obtains a Certificate of Occupancy, the Board of Directors shall obtain a policy or endorsement to an existing policy insuring the insurable improvements of the building and the Units therein for casualty insurance, as provided herein. When all of the buildings containing Units in the Condominium are completed, the Board of Directors may obtain one casualty insurance policy. The policy or policies shall have certain anniversary renewal dates. The casualty premium for each building and the Units therein shall be divided between the Units therein by the Board of Directors in such amount as they deem fair and equitable; however, this amount shall generally relate to the building square footage in each Unit in the applicable building. This formula shall also be used by the Board of Directors in determining the amount of the liability insurance premium attributable to each Unit. The premiums for all other insurance, including liability

and casualty insurance as to the recreation facilities and other common areas, shall be charged as a common expense and shall be paid by each Unit in the Condominium in the manner provided in Article VI to this Declaration, as the case may be. The liability and casualty insurance premiums as provided herein, excluding the recreation facilities and other common areas, shall be specially assessed annually by the Board of Directors, as hereinbefore provided. The Board of Directors shall determine the amount of the special assessment due from each Unit in this Condominium not less than 30 days nor more than 120 days prior to the date on which the annual insurance premium is due and payable. Each Unit shall be notified of the amount of the special assessment for such premium and said sum shall be due and payable within ten (10) days of the payment date as determined by the Board of Directors. Special assessments for insurance premiums pursuant to this Article XII are liens upon the applicable Condominium Unit with the same force and effect as liens for common expenses, pursuant to this Declaration. The liens for said special assessments may be foreclosed in the same manner as mortgages are foreclosed and the provisions of Article X shall be deemed applicable to said special assessment. Special assessments for insurance premiums, as provided herein, are personal to Unit owners as they are not uniformly incurred by all Unit owners and are not common expenses, pursuant to F.S. 718.103(7), F.S. 718.115, and the other applicable provisions of F.S. 718 Et Seq.

I. OWNER'S INSURANCE. Each individual Unit owner shall be responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within his own Unit and for purchasing insurance upon his own personal property.

ARTICLE XIII

RECONSTRUCTION OR REPAIR AFTER CASUALTY

If any part of the Condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

A. If the only damage to the Condominium property consists of damage to improvements and betterments of a single Unit which were made by the Unit owner thereof, other than the Developer, then such damage shall be reconstructed or repaired by the owner at the owner's expense.

B. If the damaged improvement is a Common element, other than a building, then the damaged property shall be reconstructed or repaired by the Association unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

1.) If the damaged improvements consist of one or more buildings, and if the Units to which fifty percent (50%) of the Common elements are appurtenant are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired by the Association, unless, within sixty (60) days after the casualty, it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated; it being understood that the fifty (50%) percent figure applies to all of the Units in the Condominium, notwithstanding the fact that there are multiple buildings.

2.) If the damaged improvements consist of one or more buildings, and if the Units to which more than fifty (50%) percent of the Common elements are appurtenant are found by the Board of Directors to be not tenantable, then the damaged property will be reconstructed or repaired, unless within sixty (60) days after the casualty the record owners of seventy-five (75%) percent of the Common elements and the mortgagee holding the greatest number of the recorded mortgages on all Units

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consent in writing to terminate the Condominium; it being understood that the fifty (50%) percent figure applies to all of the Units in the Condominium, notwithstanding the fact that there are multiple buildings.

C. The Association shall issue a certificate, signed by its president and secretary, to the Insurance Trustee stating whether or not the damaged property is to be reconstructed or repaired.

Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements. If such original plans and specifications are not available, then plans and specifications shall be prepared to permit the reconstructed improvements to be as similar to the improvements prior to such damage or destruction as possible; provided, however, that alterations may be made as hereinafter provided.

D. Immediately after a determination is made to reconstruct or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain bids for, or negotiate, a fixed price contract or contracts for the necessary reconstruction or repairs.

E. If the proceeds of insurance are not sufficient to defray the full cost of reconstruction and repair by the Association, then prior to executing contracts for the reconstruction and repair, the following assessments shall be made. Assessments shall be made against all Unit owners on account of damage to the buildings and improvements on the Condominium property in an aggregate amount, which, when added to the insurance proceeds available for such purpose, will be sufficient to pay the full cost of the reconstruction and repair of the same; such aggregate amount shall be apportioned among the owners of Units in proportion to each Unit owner's appurtenant undivided share in the Common elements. All amounts so assessed against the Unit owners

shall be collected by the Association and deposited with the Insurance Trustee, unless the Association shall have advanced from reserves on hand, against collection of such assessments, and deposited with the Insurance Trustee the required amounts, prior to the execution of any contract for such reconstruction and repair. All such contractors shall be required to furnish to the Association a performance and payment bond in the full amount of the contract unless such requirement is waived in writing by the mortgagee holding the greatest number of recorded mortgages on the Units in the Condominium. Notwithstanding the foregoing, the Association shall not be prohibited from entering into contracts for repairs having an aggregate cost of less than \$10,000.00, nor from entering into contracts providing for work which is essential to preserve the property from further deterioration or damage pending collection of assessments.

F. The funds held by the Insurance Trustee for payment of the costs of reconstruction and repair after casualty, shall be disbursed in the following manner:

(1) The proceeds held in each of the aforesaid separate construction funds shall be disbursed only for reconstructing and repairing the property with respect to which such proceeds were collected.

(2) If there is a balance in any such separate construction funds after payment of all costs of the reconstruction and repair for which such fund is established, such balance shall be distributed to the beneficial owner or owners thereof.

(3) If the total cost of reconstruction and repair that is the responsibility of the Association is less than \$10,000.00, then the Insurance Trustee shall pay such cost to the Association, and the Association shall hold such sum and disburse the same in payment of the costs of reconstruction and repair.

(4) If the total cost of reconstruction and repair that is the responsibility of the Association is \$10,000.00 or more, but less than \$25,000.00, then the Insurance Trustee shall pay the cost thereof upon the order of the Association.

(5) If the costs of reconstruction and repair that is the responsibility of the Association is more than \$25,000.00, then the Insurance Trustee shall pay the cost thereof upon order of the Association with the approval of an architect, qualified to practice in Florida, who has been employed by the Association to supervise the work.

(6) The Association shall keep records of all construction costs and the amount thereof to be charged to each separate construction fund.

(7) Notwithstanding the provisions of this instrument, the Insurance Trustee shall neither be required to determine whether a disbursement is to be made from a particular construction fund, nor to determine the payee or the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters and stating the name of the payee or payees, the amount to be paid and the particular construction fund or funds against which such payment is to be charged, provided that when the Association has certified that a disbursement is required hereunder to be made upon an order of the Association approved by an architect, no payment shall be made with respect to such order of the Association without such architect's approval.

ARTICLE XIV

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MAINTENANCE, ALTERATION AND IMPROVEMENT

A. By the Unit Owner.

1. The owner of each Unit must keep and maintain his Unit, its equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair-work within his Unit which, if omitted, would adversely affect the Condominium, the other Unit owners or the Association and its members. The owner of each Unit shall be responsible for any damages caused by a failure to maintain said Unit. Maintenance, repair and replacement shall include, but not be limited to, the following: air-conditioning and heating equipment, including those portions of the equipment located on the Common elements; all windows and sliding glass doors, including operating mechanisms, screening and glass; service equipment, such as dishwasher, refrigerator, stoves, ovens, hot water heaters, disposals and all other appliances; plumbing fixtures and connections, sinks, drains and all pipes within the Unit or located on the Common elements, but servicing only the Unit; electrical fixtures, outlets, wiring and panels within the Unit or located on the Common elements, but servicing only the Unit; exterior doors, excluding the painting of the exterior which shall be a Common expense of the Association; floor coverings, excluding the floor slab; and inside paint and other inside wall and ceiling finishes. The owner of a Unit further agrees to pay for all utilities, such as telephones, electric, etc., that may be separately billed or charged to each Unit. The owner or owners of each Unit shall be responsible for insect and pest control within the same and within any Limited common elements appurtenant thereto unless separately contracted for by the Association. Wherever the maintenance repair and replacement of any items, which the owner of a Unit is obligated to maintain, repair or replacement at his own expense, is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the

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proceeds of the insurance received by the Association, or the Insurance Trustee, herein designated, shall be used for the purpose of making such maintenance, repair or replacement, except that the owner of such Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The interior and the interior surfaces of any Limited common element appurtenant to the Unit must be maintained by the owner of such Unit and kept in a neat, clean, and trim condition, provided, however, that if any portion of the interior of any such Limited common element is visible from outside the Unit and the Limited common elements appurtenant thereto, then, the Unit owner shall first obtain the consent of the Association before altering the appearance thereof.

B. By the Association.

1. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common elements, including those portions of a Unit contributing to the support of the buildings; provided, however, that its obligation to maintain the interior and interior surfaces of the Limited common elements shall exclude maintenance and that the owners of the Units to which the same are appurtenant are required to perform as above provided. Should any incidental damage be caused to any Unit by virtue of the Association's failure to maintain the Common elements as herein required or by virtue of any work which may be done or caused to be done by Association in the maintenance, repair or replacement of any Common elements, the Association shall, at its expense, repair such incidental damage.

2. The Association, by action of its Board of Directors, may make minor and insubstantial alterations and improvements to the Common elements including recreational facilities, having a cost not in excess of Five Thousand (\$5,000.00) Dollars. All

other alterations and improvements must first be approved by the owners of 75% of the Units and by the mortgagee holding the greatest number of mortgages on the mortgaged Units. No alteration or improvement may be made to the Common elements which adversely affects the rights of the owner of any Unit to the enjoyment of his Unit or the Common elements unless the owner and all mortgagees holding recorded mortgages on such Unit consent thereto in writing. If any alterations or improvements to the recreational facilities are made other than of a minor or insubstantial nature, then, in addition to the aforesaid consent, the consent of the Developer, or its successor in title to the land described in Exhibit XXI hereto shall be obtained unless the subsequent phase or phases, as provided for in Article XXI have been constructed and made a part of this Condominium, or the Developer's Rights thereunder have expired.

3. In order to preserve the architectural appearance of the Condominium as the same was originally designed and constructed, no Unit owner shall change, modify or alter the Common elements, except the interior portion of the Limited Common elements appurtenant to his Unit which portion is not visible from the exterior thereof, in any way or manner whatsoever. Without intending to limit the generality of the foregoing, no Unit owner shall change, modify or alter the design and appearance of any of the exterior surfaces, facades and elevations, landscaping and planting, windows, or exterior doors; nor shall any Unit owner change the design or color of any exterior lights or doors, nor install, erect or attach to any part of the exterior of his Unit any sign of any kind whatsoever; nor shall he install, erect or attach to any part of the exterior or roof of any Unit or any part of the Common elements any sort of radio or television aerial, whether for sending or receiving; nor shall any owner erect or construct any original construction; provided, however, that if the Board of Directors of the Association finds that is not detrimental to the interests of the Association and

its members, it may authorize a Unit owner to make such change, modification or alteration, provided that: (a) the alteration does not adversely affect the Association, any member thereof, or the Developer; (b) a copy of plans for any such alteration prepared by a licensed architect and a copy of the construction contract shall be filed with the Association and approved by its Board of Directors prior to commencement of the work; and (c) the full cost of the same is first placed in escrow with the Association.

ARTICLE XV

USE RESTRICTIONS

The use of the Condominium property shall be in accordance with the following provisions as long as the Condominium exists:

A. Units shall be used for single family residential purposes only and no business or commercial activity of any nature shall be maintained or conducted on any of said Units. Except as otherwise provided herein, Units may be occupied only as follows:

(1) If the owner is an individual or individuals, other than individuals constituting a business partnership, limited partnership or joint venture, the Unit may be occupied by such owner's family, servants and guests.

(2) If the owner is a corporation, partnership, limited partnership, joint venture or other business entity, the Unit may be occupied by its partners, joint venturers, employees, officers, and directors, and by members of the families, servants and guests of the foregoing.

(3) No more than a single family may reside in a Unit at any one time.

(4) If a Unit has been leased, as hereafter provided, the Lessee shall be deemed to be the "owner" for purposes of this section during the term of said lease.

B. The Common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the benefit and enjoyment of the residents of the Units in the Condominium.

C. No immoral, improper, offensive or unlawful use shall be made of the Units, the Condominium property nor any part of it.

D. No Unit owner shall make or permit any use of his Unit or the Common elements which will increase the cost of insurance on the Condominium property.

E. No nuisances shall be allowed in the Units or upon the Condominium property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium property by its residents.

F. No rooms may be rented separately from the Unit and no leases for less than thirty (30) consecutive days shall be permitted; entire Units may be leased for periods of not less than thirty (30) consecutive days. Units which are leased may be occupied only by the lessee and his family, servants and guests.

G. Reasonable rules and regulations concerning the use of Condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to all Unit owners and residents of the Condominium upon request. Any such regulations shall not be required to be incorporated in an amendment to this Declaration or otherwise filed of record.

H. The Condominium Association, whether acting through its Board of Directors or otherwise, shall not impose prohibitions on the keeping of pets in the Condominium units providing that the pets so kept are the kind of animals, fish or birds usually kept as household pets. With respect to pets which require access to the outside, such as dogs and cats, the Condo-

minium Association may prohibit the keeping of more than two of such pets or more than two of a mixed variety thereof in any individual Unit. The Association may also impose reasonable restrictions on when, where and how such pets may be permitted upon the Common Elements of the Condominium Property. The limitation on the prohibition of pets contained in this Paragraph H shall not restrict nor prevent the Condominium Association from prohibiting or requiring the removal of pets in individual cases where such pets are or become legal nuisances and unreasonably disturb the quiet enjoyment of the Condominium Property or Units by the Unit owners. Furthermore, the Condominium Association may require the Unit owners who either do not abide by the reasonable rules and regulations as to when, where and how such pets may be permitted upon the Common Elements, or who allow a pet to be or become a legal nuisance, to dispose of or remove their pet or pets from the Unit and the Condominium Property. Amendments or modifications to this Paragraph H shall require approval of a vote of the membership equal to three-quarters (3/4) or more of the total number of votes attributable to Units owned by any legal person other than the Condominium Association.

I. A Unit owner shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls of the buildings, including awnings and/or storm shutters, doors or windows, nor shall they grow any type of plant, shrubbery, flower, vine or grass outside their Unit; nor shall they place any furniture or equipment outside their Unit or on the Limited Common elements appurtenant to their Unit except with prior written consent of the Board of Directors, and further, when approved, subject to the Rules and Regulations adopted by the Board of Directors.

J. No clothes lines or similar device shall be allowed on any portion of the Condominium property except in areas that may be designated by the Association. An antenna may not be installed and/or affixed to any exterior part of a Unit, the Limited common elements or the Common elements of the Condominium.

K. The overnight parking of vehicles of any kind upon any of the Condominium property used for roadway purposes is prohibited, and the overnight parking of automobiles without a current license tag and inspection certificate, or trucks over one ton capacity or in commercial use, trailers, motor homes, campers or boats is prohibited anywhere on the Condominium property.

L. No "for sale" or "for rent" signs or other signs, advertisements or notices of any type shall be displayed by any individual Unit owner on his Condominium Parcel or any part of the Condominium Property.

ARTICLE XVI

LIMITED COMMON ELEMENTS

Those portions of the Common elements reserved for the use of certain Unit owners or a certain Unit owner, to the exclusion of other Unit owners, are deemed Limited common elements. Any expense for the maintenance, repair or replacement relating to Limited common elements shall be treated as and paid for as part of the Common expenses of the Association, unless otherwise specifically provided in this Declaration and Exhibits attached hereto. Should said maintenance, repair or replacement be caused by the negligence or misuse by a Unit owner, his family, guests, servants and invitees, he shall be responsible therefor, and the Association shall have the right to levy an assessment against the owner of said Unit, which assessment shall have the same force and effect as all other assessments. The Limited common elements include the following:

A. Balconies or Terraces; A Unit owner shall have the right to the exclusive use of his connecting terrace or balcony and shall be responsible for the maintenance, care and preservation of the paint and surface of the interior parapet walls, including floor and ceiling, within said exterior balcony or terrace, and the maintenance, care, preservation and replacement of the screening or enclosure on the said balcony or ter-

race, if applicable, and fixed and/or sliding glass doors in the entrance way to said balcony or terrace. A Unit owner may not modify or enclose his balcony or terrace except with the prior written approval of the Board of Directors of the Association, and said Directors may designate a type or design of modification or enclosure that they will approve, or they may refuse to approve any type of modification or enclosure in their sole discretion.

B. Parking; Each Unit in this Condominium shall have the right, at no charge, to the use of one (1) automobile parking space, the exact location and designation of which shall be assigned and established by the Developer at the time of the initial conveyance of the Unit to a Unit owner. The grant of the right to the exclusive use of an automobile parking space shall be evidenced by separate instrument executed by the Developer in non-recordable form and delivered to the Unit owner at the time such owner acquires fee title to his Condominium unit. An Executed Copy of the instrument granting such shall be maintained by the Association. The Assignment of an exclusive parking space for each Unit as provided for in this paragraph shall not be changed without the written consent of the Unit Owner of Record, and any Institutional Mortgagee holding a mortgage on the Unit.

As to the parking spaces not assigned by the Developer as provided in the above paragraph, the Developer, for such time as it determines in its sole discretion and thereafter, the Board of Directors of the Association, may assign such specific parking spaces to the other Unit owners in this Condominium, and any such assignment shall not be recorded in the Public Records of Flagler County, Florida. The Developer, for such time as it determines in its sole discretion, and thereafter, the Board of Directors of the Association, as to such parking spaces, shall have the right to change the assignment of such specific parking spaces from time to time as to the Unit owners in this Condominium, as it deems advisable in its sole discretion.

A portion of the parking spaces may be for the use of guests as determined by and pursuant to the rules and regulations adopted by the Developer for such time as it determines in its sole discretion, and thereafter, by the Board of Administration of the Association. The right to the use of a designated parking space, shall be a use right only, exclusive unto the person to whom such space is assigned; subject, however, to the provisions aforesaid.

The Unit owner agrees that the parking area is exclusively for parking of automobiles, motorcycles or electric carts and no boats, trailers, trucks, campers or any other item can be parked or stored in said area.

ARTICLE XVII

EASEMENTS

A. The Common elements shall be, and the same are hereby declared to be, subject to the perpetual, non-exclusive, easement, which easement is hereby created for their use and for the use of their immediate families, guests, invitees or licensees for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended. The Association shall have the right to establish rules and regulations governing the use and enjoyment of the just-described easements.

B. All of the Condominium property shall be subject to easements for encroachments which now exist or hereafter exist, caused by settlement or movement of the improvements constructed on the Units, or caused by minor inaccuracies in building or re-building said improvements, which encroachments shall be permitted to remain undisturbed, and such easements shall continue until such encroachments no longer exist.

C. If there shall be located within the boundaries of any Unit, any conduits, plumbing, wiring or other facilities for the furnishing of public or private utility services to other

Units, or to the Common elements, an easement in favor of the Association and the other Unit owners shall exist therefor, and an easement of access to and through such Unit for the repair and maintenance of the foregoing shall exist in favor of the Association. Said access to the Unit shall only be during reasonable hours, except that access may be had at any time in case of emergency.

D. Every portion of a Unit contributing to the support of the building shall be burdened with an easement of support for the benefit of all other Units and Common elements in the building and vice versa.

E. The appurtenances shall include 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 altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

F. Easements are reserved through the Condominium property as may be required for utility services in order to serve this Condominium and any subsequent phase or phases adequately. As used herein, the term "Utility Services" shall include, but not be limited to, water, sewer, telephone, power, electric, natural gas, cable television, irrigation, and other utility services. Developer, for itself, its assigns,, and the Association herein described, reserves the right to impose upon the Common elements henceforth, and from time to time, such easements and cross-easements for any of the foregoing purposes as it deems to be in the best interest of, and necessary and proper for, the Condominium.

G. Until all of the Phases described in Article XXI are submitted to this Condominium form of ownership under this Declaration or until the Developer's Rights under Article XXI have expired, the Developer shall have the right and/or easement to enter on, over and across the Condominium Property for con-

struction purposes and for access to the lands in subsequent phases and shall have the further right to use the Condominium Property for construction purposes. No Unit owner, his guests, or invitees shall in any way interfere or hamper the Developer, its employees, successors or assigns in connection with such construction and any such construction shall not be deemed a nuisance. Should any additional documentation be required or be deemed necessary for the purpose of documenting this easement and right, the Association and/or the Developer shall execute the same in recordable form.

H. Should the intended creation of any easement fail by reason of the fact that at the time of creation, there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Association for the purpose of allowing the original party or parties to whom the easements were originally granted the benefit of such easement and the Unit owners designate the Developer and/or Association as their lawful attorney in fact to execute any instrument on their behalf as may hereafter be required or deemed necessary for the purpose of creating such easement.

ARTICLE XVIII

TERMINATION

A. The Condominium may be terminated in the manner provided by the Act; it may also be terminated as hereafter set forth.

B. In the event of major damage to the Condominium property as set forth in Article XIII(B)(2), the Condominium may be terminated as provided in and subject to the provisions of Article XIII hereof.

C. The Condominium may be terminated at any time by the written consent of the record owners of all Units and with the written consent of the mortgagee holding the greatest number of recorded mortgages on the Units.

D. The Condominium may be terminated at any time with the written consent of (i) the record owners of Units having appurtenant thereto not less than a 75% undivided interest in the Common elements and (ii) the mortgagee holding the greatest number of recorded mortgages on the Units in the Condominium, provided, however, that within thirty (30) days following the obtaining of such consents, all consenting owners, or a lesser number of them, shall agree in writing to purchase all Units owned by non-consenting record owners of each Unit and that the option to purchase such Unit, set forth in paragraph (1) below is, being exercised. Such consents shall be irrevocable until the expiration of the said thirty-day period, and, if all such options are exercised, the consents shall be irrevocable. The option to purchase each Unit belonging to non-consenting owners shall be exercised and the purchase thereof shall be consummated as follows:

(1) Exercise of Option. The option shall be exercised by personal delivery or mail by registered mail to the record owners of each Unit to be purchased an agreement to purchase signed by the persons who will participate in the purchase of such particular Unit, together with a notice which shall state that all Units owned by owners not approving the termination are to be purchased and which shall set forth all Units to be purchased and the names of all persons participating in each such purchase. The agreement shall effect a separate contract between the sellers and the purchasers of each particular Unit.

(2) Price. The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within 30 days from the delivery or mailing of such agreement, and in the absence of agreement as to price it shall be determined by arbitration in accordance with the then-existing rules of

the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(3) Payment. The purchase price shall be paid in cash.

(4) Closing. The sale shall be closed within ten (10) days following the determination of the sale price.

(5) Failure to Close. If any sale shall fail to close, the Association may procure another purchaser to purchase the Unit at the said sales price; the closing of the latter sale to take place within sixty (60) days following the closing date of the sale which failed to close. At such time as all such purchases have been closed, the Condominium shall terminate.

E. The termination of the Condominium in any manner shall be evidenced by a certificate of the Association executed by its president and secretary certifying under oath as to facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of Flagler County, Florida.

F. In the event the Condominium shall be terminated, then upon termination:

(1) The then-Unit owners shall own all of the Condominium property as tenants in common in undivided shares that shall be the same as the undivided shares in the Common elements appurtenant to the owners' Units immediately prior to the termination.

(2) If the subsequent phase or phases shall not have been developed pursuant to Article XXI, and if the right of the Developer and its successors in title to develop shall have terminated, then all assets of the Association shall be distributed to the Unit owners in the same manner as set forth in paragraph (1) of this Paragraph "F".

(3) If the subsequent phase or phases shall have not been developed pursuant to Article XXI, and if the right of the Developer and its successors in title to develop said phase or phases shall not have terminated, then the Association shall offer to sell any existing Common recreational facilities to the Developer or its said successor in title to the property described in Exhibit XXI hereto at its fair market value. The Developer, or said successor in title, shall have sixty (60) days within which to accept the offer. If the offer is accepted, the Association shall convey the Common recreational facilities to said purchaser by warranty deed and shall distribute the sales proceeds and the other assets of the Association to the Unit owners as provided in paragraph (1) above; if the offer is not accepted, the right of the Developer and its successor in title to develop said Phase or Phases shall terminate and the Common recreational facilities shall be distributed to the Unit owners as provided in paragraph (1) above.

G. This Article concerning termination cannot be amended without the consent of all Unit owners and of all record owners of mortgages upon the Units; no amendment may be made to this Article which impairs the rights of the Developer and its said successors in title to develop the subsequent phase or phases as provided for in Article XXI, or which impairs the rights of owners of Units in said subsequent phase or phases.

ARTICLE XIX

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COMPLIANCE AND ENFORCEMENT

Each Unit owner shall be governed by and shall comply with the terms of this Declaration of Condominium, the Articles of Incorporation, By-Laws and Regulations and Rules of the Association. Failure of a Unit owner so to comply shall entitle the Association and/or the other Unit owners to the relief set forth in the following sections of this Article in addition to the remedies provided by the Condominium Act.

A Unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or willful act or that of any member of his family, guest, employee, agent, lessee, invitee or pet, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. A Unit owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances, or of the Common elements, by the Unit owner.

In any proceeding arising because of an alleged failure of a Unit owner or the Association to comply with the terms of this Declaration, the Articles of Incorporation, By-Laws, Regulations or Rules of the Association, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees, including fees on appeal, as may be awarded by the Court.

The failure of the Association, the Developer or any Unit owner to enforce any covenant, restriction, or other provision of the Condominium Act, this Declaration, the Articles of Incorporation, By-Laws, or the Regulations or the Rules of the Association, shall not constitute a waiver of the right to do so thereafter.

ARTICLE XX

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RIGHTS OF DEVELOPER

So long as Developer shall own any Unit, the Developer shall have an absolute right to lease, sell, transfer, and/or convey any such Unit to any person, firm, or corporation, upon any terms and conditions as it shall deem to be in its own best interest and in connection herewith the right the Association has, or may hereafter acquire to approve or disapprove purchasers, lessees and other transferees shall not be operative or effective in any manner as to Developer. Said Developer shall have the right to transact on the Condominium property any business necessary to consummate the sale, lease or rental of Units including, but not limited to, the right to use the parking areas for customer parking, maintain models, have signs on the Condominium Property, employees in the models or offices, and permit the use of Common elements to show Units. The Developer may use the Recreational Facility as a sales office or facility and the signs, and all items pertaining to sales or rentals shall not be considered Common elements, and shall remain the property of the Developer. In the event there are unsold Units, the Developer retains the right to be and remain the owner thereof, under the same terms and conditions as other owners, save for this right to sell, rent or lease as contained in this paragraph.

The Developer shall have the right to retain control of the Association and to elect members of the Board of Directors of the Association in accordance with, and pursuant to, the provisions of the Florida Statutes 718.301, in effect as of the date of the recordation of this Declaration.

Whenever Developer shall be entitled to designate any person or persons to serve on the Board of Directors of Association, such designation shall be made in writing, and Developer shall have the right to remove any person or persons so designated by it and to replace such person or persons with another person or persons to act and serve in the place of any Director

or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Written instruments so designating or removing directors shall be executed by or on behalf of the Developer and shall become effective upon delivery to the Secretary of the Association.

Any person designated by the Developer serving on the Board of Directors of Association shall not be required to disqualify himself upon any vote upon any management contract or other matter as to which the Developer or the said Director may have a pecuniary or other interest. Similarly, Developer, as a member of the Association, shall not be required to disqualify itself in any vote which may come before the membership of Association upon any management contract or other matter between Developer and Association where the said Developer may have a pecuniary or other interest.

The initial monthly assessment for each Unit owner shall be as set forth in the Estimated Operating Budget, and notwithstanding the obligation of each Unit owner to pay his share of the Common expenses and assessments as provided for in this Declaration, until August 30, 1984, or four (4) months after Developer gives notice pursuant to F.S. 718.403 that it is not going to add the remaining Phases to this Condominium, or until the date when the majority of the Board of Directors of the Condominium Association is elected by the Unit owners in the Condominium, rather than by the Developer, whichever is sooner as determined solely by the Developer, the Developer shall be excused from payment of its share of the Common expense as to the Units owned by the Developer. During the period of time when the Developer is excused from paying its share of the Common expense, the Developer shall be obligated to pay either the difference between the Association's Common expenses and the sums collected as the initial assessment for Common expenses from Unit owners other than the Developer, or the amount of the assessment for Common expenses on the Units owned by the Developer which would

be due but for this provision, whichever is less. This guaranty applies to the original Units contained in this Condominium, as well as the Units contained in subsequent Phases if they are added pursuant to this Condominium pursuant to Article XXI. During the period of this guaranty, the Developer shall have the right where it deems it necessary to require that the Board of Directors of the Condominium Association increase said monthly assessments in an amount as determined by the Developer which shall not exceed fifteen (15%) percent in toto for each one year period of the guaranty over the stated monthly assessment for each Unit as specified in the preceding year's operating budget.

Nothing herein contained shall be construed as giving this Condominium or the Association the exclusive right to use the name THE FAIRWAYS CONDOMINIUM AT PALM COAST, and the Developer reserves the right to use said name in future Fairways at Palm Coast projects, changing only the number designation of the project. Further, nothing herein contained shall be construed as allowing this Association to manage future Fairways Condominium projects.

All rights in favor of Developer reserved in this Declaration of Condominium and the exhibits attached hereto are freely assignable in whole or in part by Developer and may be exercised by the nominee of Developer and/or exercised by the successor or successors in interest of Developer.

ARTICLE XXI

PHASE CONDOMINIUM

This Condominium may be developed in Phases pursuant to F.S. 718.403 with the first phase, i.e., Phase One, consisting of the real property legally described in Exhibit B-1 attached hereto. Phase One consists of the Units in the apartment buildings and other improvements as shown and set forth in Exhibits A and B-1 attached hereto. The Units in Phase One of this Condominium shall own a fractional undivided interest in the Common

elements and be responsible for a fractional share of the Common expenses of this Condominium as set forth in Articles V and VI of this Declaration.

Should the developer decide, in its sole discretion, to add Phases II through IX to this condominium, each phase shall consist of the lands, Units in the buildings and other improvements as set forth in Exhibit A and B-2 through B-9 to this declaration. Exhibit B-10 is a proposed survey, plot plan and legal description showing the Condominium if all phases are developed and added to this Condominium. Each phase shall contain the following units and each Unit owner's fractional undivided interest in the common elements, common expenses and common surplus, are as follows:

<u>Phase</u>	<u>Units</u>	<u>Unit owners individual share in common elements, expenses and surplus as each phase is added to the Condominiums</u>
I	24	1/24
II	20	1/44
III	20	1/64
IV	16	1/80
V	20	1/100
VI	24	1/124
VII	24	1/148
VIII	32	1/180
IX	20	1/200

Exhibit A to this Declaration sets forth the floor plans for the five types of buildings that may be built by the Developer if Phases II through IX are added to this Condominium. The survey and plot plans for each phase (Exhibits B-2 through B-9) sets forth the building number and the letter designation showing the building type of each building for each phase. The general size and type of Units in each building will not change within a building but the Developer reserves the right, pursuant to F.S.718.110(4) and Article VII of this Declaration, to vary the building types in Phases II through IX. Any change of the building types within a phase or phases will not vary the Unit owners share in the Common Elements, surplus or expenses.

If Phases II through IX are added to this Condominium, the impact on the Condominium will be to increase the number of Units from 24 Units to a maximum of 200 Units, and the number of persons who will be entitled to use the recreational facilities will also be increased accordingly. The further impact will be to increase the Common expenses; however, the number of Units sharing the said costs will be increased as provided for above. Each phase (Phase II through IX), if added to this condominium, will be completed by August 30, 1984.

Each Unit in the Condominium is entitled to membership in the Condominium Association, and one member who is designated as a voting member by a Unit owner shall be entitled to cast one (1) vote at any meeting of the Association as provided in Article V of this Declaration. When the membership consists of only Phase One, there will be 24 memberships and voting members in the Association, and as each Phase is added to this Condominium, the voting memberships and voting members in the Association will be increased by the number of Units added by each amendment, with each voting member being entitled to cast one (1) vote at any Association meeting. There are no ownership interests in the Condominium Association.

Should the Developer, in his sole discretion, decide to construct and add all or a portion of the Units in Phase II through Phase IX to this Condominium, then upon substantial completion of the construction of the improvements, including the apartment building or buildings to be added in said phase or phases, the Developer shall cause a surveyor, authorized to practice in the State of Florida, to prepare a survey of the phase or phases to be added and certify said survey as required by and pursuant to the applicable provisions of F.S. 718 et. seq. and F.S. 718.104 (4)(e). This survey shall be attached to an amendment or amendments to this Declaration and the same shall be executed solely by the Developer and recorded in the Public Records of Flagler County, Florida, together with such other

Exhibits relating thereto as the Developer determines, in his sole discretion, are necessary. Pursuant to F.S. 718.403, of the Condominium Act and the last paragraph in Article VII in this Declaration, this amendment or amendments shall not be required to be executed by, nor consented to by, the Unit owners, Condominium Association, nor the members thereof, nor the owners or holders of any lien encumbering a Condominium parcel in this Condominium.

Nothing contained in this Article XXI shall be construed as requiring the Developer to construct the additional Units and apartment buildings referred to herein and add the same to this Condominium; but if said Units and apartment buildings are constructed and added to this Condominium in one or more subsequent phases and amendments, all such construction will be completed, and the apartment buildings and Units added to this Condominium by August 30, 1984.

ARTICLE XXII

RECREATION FACILITIES WITHIN THIS CONDOMINIUM

The recreation facilities within this Condominium are described and shown in Exhibit E attached hereto. As of the date of the recording of this Declaration of Condominium with Exhibits attached thereto in the Public Records of Flagler County, Florida, the personal property located within the recreation area and facilities shall consist of such personal property as is specified in Exhibit E attached hereto and made a part hereof.

Any person who is the owner of a Condominium parcel in this Condominium, together with spouse and other members of said parcel owner's immediate family who are in residence in the Condominium parcel, as provided herein, may use the recreation facilities of this Condominium. Where a corporation is a condominium parcel owner, the use of said facilities shall be limited at any one time to such officer, director or employee of said corporation who is in actual residence and such individual shall

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be deemed to be the Condominium parcel owner for the purposes of this paragraph. All Unit owners' children and children of guests or invitees who are under such age as determined by the Association must be accompanied by an adult to such portions of the recreation facilities as the Association determines. Guests and invitees of a Unit owner, whether in temporary residence in the Condominium or not, may only be permitted to use said recreation facilities or portions thereof with permission of the Association, and subject to the terms and conditions as the Association may determine in its sole discretion, including the payment of additional compensation therefor, it being understood and agreed that said recreation facilities are primarily designed for the use and enjoyment of said Unit owners and the use by others may be required to be limited or not permitted at all during certain times of a day, certain weeks or months of a year, and the Association shall determine the foregoing in its sole discretion, including the manner and method in which said recreation facilities are to be used and under what circumstances. Notwithstanding the foregoing, where children in residence in a Condominium are the sons or daughters of the parcel owner, such parent shall not be required to pay additional compensation for use by said children of said recreation facilities. Where a Unit owner owns more than one unit, the family in residence in each Unit shall be entitled to the use of the recreation facilities, whether said family in residence be a lessee of said Condominium unit or otherwise. Where a party owns one Condominium unit and leases same, the lessee shall be entitled to the use of said recreation facilities and said lessee's rights thereto shall be the same as though said lessee were the Unit owner and during the terms of said lease, the Unit owner and his family shall not be entitled to the use of said facilities.

MISCELLANEOUS PROVISIONS

A. Notices. Whenever notice is required under the terms of this Declaration, such shall be given in writing to the Association, to the Unit owner, or to any mortgagee, as the case may be, by personal delivery to such party, or by depositing with postage prepaid in the United States mails, registered or certified with return receipt requested, addressed as follows:

ASSOCIATION

As the Association's address appears on record at the office of the Secretary of State of Florida.

UNIT OWNER

As the address of the Unit owner appears on the books of the Association.

MORTGAGEE

As the address of the mortgagee appears on the books of the Association.

Notice served on the Secretary of the Association in the aforesaid manner shall constitute notice to the Association. Until the election of the officers of the Association, Developer shall be authorized to act as agent on behalf of the Association with respect to the giving of notice as hereinbefore provided. Notice to Developer shall be as aforesaid and addressed as follows:

or to such other address as Developer shall, in writing, advise the person giving such notice to utilize for such purposes.

B. Covenants. All the provisions of this Declaration and the Exhibits attached hereto shall be construed as covenants running with the land and with every part thereof, and every

interest therein, and every Unit owner and every claimant of the land or any part thereof or interest therein and their heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of said documents.

C. Invalidity. The invalidity in whole or in part of any covenant or restriction, or any section, paragraph, subparagraph, sentence, clause, phrase, word or other provision of this Declaration or any Exhibit thereto, shall not affect the validity of the remaining portions thereof.

D. Heading. The headings of the sections, subsections, paragraphs and subparagraphs of this Declaration are for the purpose of convenience only and shall not be deemed to expand or limit the provisions contained in such sections and subsections.

E. Interpretation. The interpretation, construction, and effect of this Declaration shall be in accordance with and be governed by the laws of the State of Florida.

F. Easements. The Developer and its successors as Developer retain the right and shall at all times have the right to declare and create, modify and amend, from time to time, without joinder and consent of any unit owner or of the Condominium Association, easements upon the Condominium Property for public utility purposes and for peaceful ingress and egress to prevent abutting properties from being landlocked or otherwise denied reasonable access to and from the public-ways, providing, however, that at the time of the creation of such easements and at the time of the modification or amendment of any such easements, such easements and such modifications and amendments shall not be inconsistent with the peaceful and lawful use and enjoyment of the Condominium Property by the owners thereof. The Developer may, by an instrument in writing, relinquish the power and authority herein reserved to create, modify and amend easements, by the filing among the Public Records of Flagler County, Florida, a written instrument to that effect, from and after the recording of which the Developer and its successors and assigns as Devel-

oper shall no longer have the powers and authorities reserved or granted in this Paragraph F.

G. Master Television Antenna and Cable Television. The Association, by action of its Board of Directors, is authorized to enter into agreements to provide or allow master television service, whether or not in association with cable television service, to be given to the owners or occupants of improvements to real property in the vicinity of the Condominium, upon such terms and conditions as the Board of Directors shall approve, including but not limited to the authority of the Association to enter into a master television service contract in which the cost shall be treated as a common expense. This authority is granted in realization of the fact that a master television antenna may be able to serve the Condominium unit owners as well as persons residing on other improved property in the vicinity of the Condominium on a more economical basis. This authority shall be liberally construed to allow the placement of cables, equipment and all necessary mechanical, electro-mechanical, electrical and/or electronic devices upon the Condominium Property as the Board of Directors shall approve to effectuate the intentions of this Paragraph. Unit owners shall have the right to have cable television service extended and provided within their Units without action of the Board of Directors and such services may be brought to the Unit owners requiring or desiring such service over the common elements of the Condominium and as other utility services may be extended to the Condominium Units, providing that such installation shall not be unsightly and that such installation shall not interfere with the reasonable, lawful and peaceful use of the Common elements and the Limited common elements by the persons entitled to use them. Nothing in this Paragraph G shall be construed to impose upon the Developer or any other person, either real or corporate, the obligation to provide or install either a master television antenna or cable television facilities in this Condominium, nor to prohibit such installation.

H. Abandonment by Unit Owner. No owner of a Condominium parcel may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements or by the abandonment of his Condominium Unit.

I. Acceptance. The Condominium Unit owners, by virtue of their acceptance of the Deed of Conveyance as to their Condominium Unit, and other parties by virtue of their occupancy of Units, hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration of Condominium and Exhibits attached thereto.

J. Partition. No Condominium parcel owner shall bring, or have any right to bring, any action for partition or division of the Condominium property.

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

IN WITNESS WHEREOF, the Developer, by its appropriate officers, has executed this Declaration, this 2nd day of April, 1989, and caused its seal to be affixed.

Signed, sealed and delivered in the presence of:

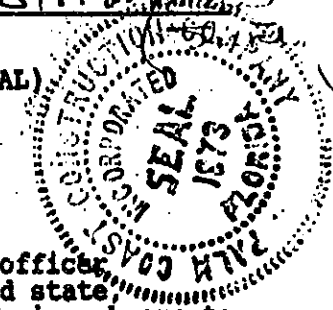
Edith B. Jones
Alane Bresane

By: James E. Gardner Pres.
Attest: Robert H. Moriner

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF FLAGLER

I HEREBY CERTIFY that on this day before me, an officer, authorized to take acknowledgements in said county and state, personally appeared James E. Gardner, and Robert H. Moriner known to me to be the President and Secretary, respectively, of PALM COAST CONSTRUCTION COMPANY, a Florida corporation; that then and



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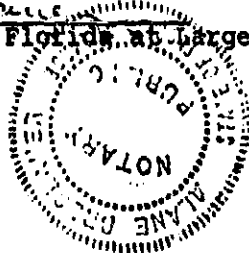
there the said individuals acknowledged the seal affixed to the foregoing instrument to be the seal of said corporation, that their names are officially subscribed thereto and that the foregoing is the free act and deed of the said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal in the county and state last aforesaid, this 2nd day of April, 1982.

Alane Breslow
NOTARY PUBLIC State of Florida, at Large

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Sept. 11, 1982
Bonded By American Fire & Casualty Company



THE FAIRWAYS AT PALM COAST

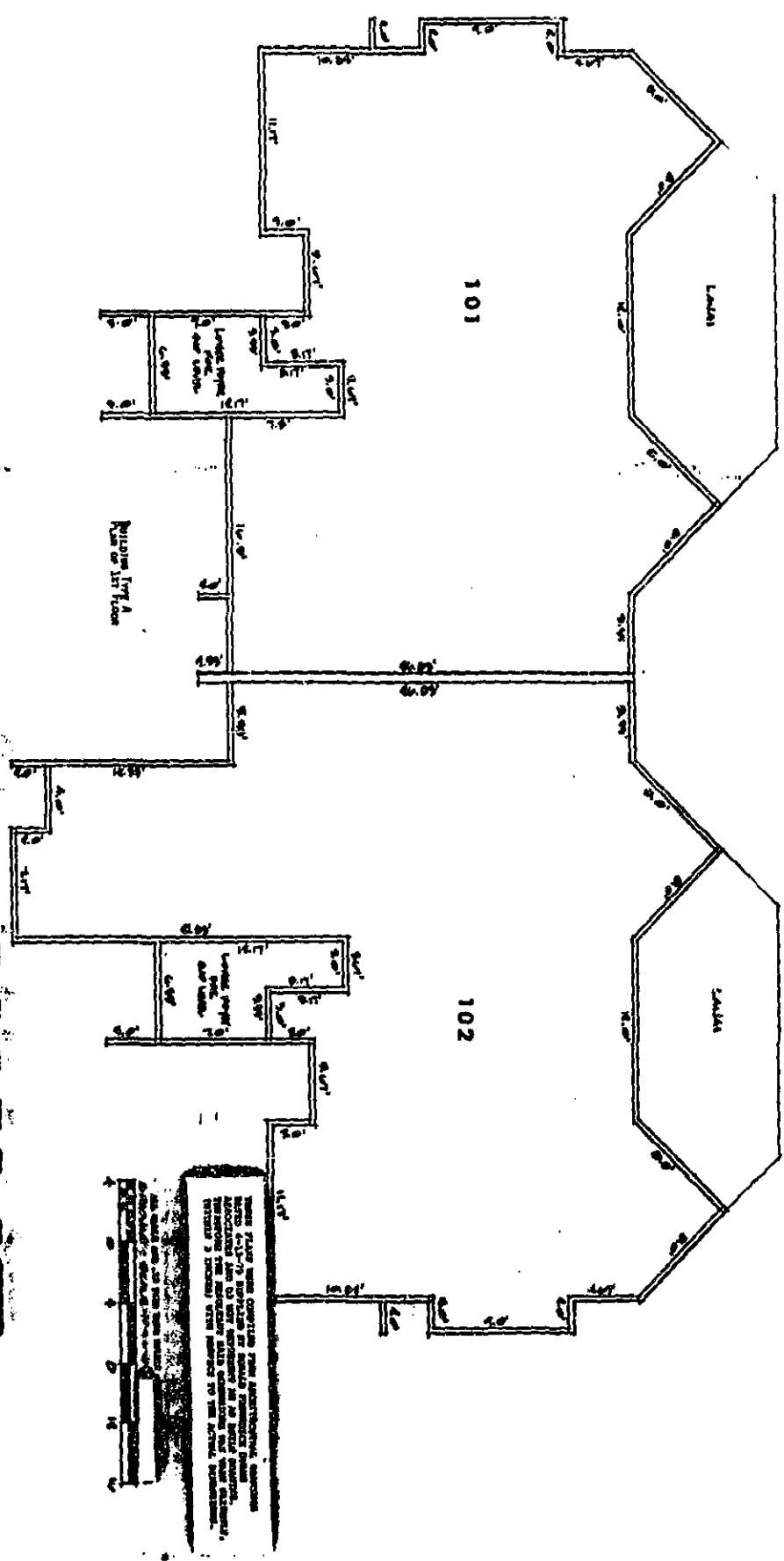
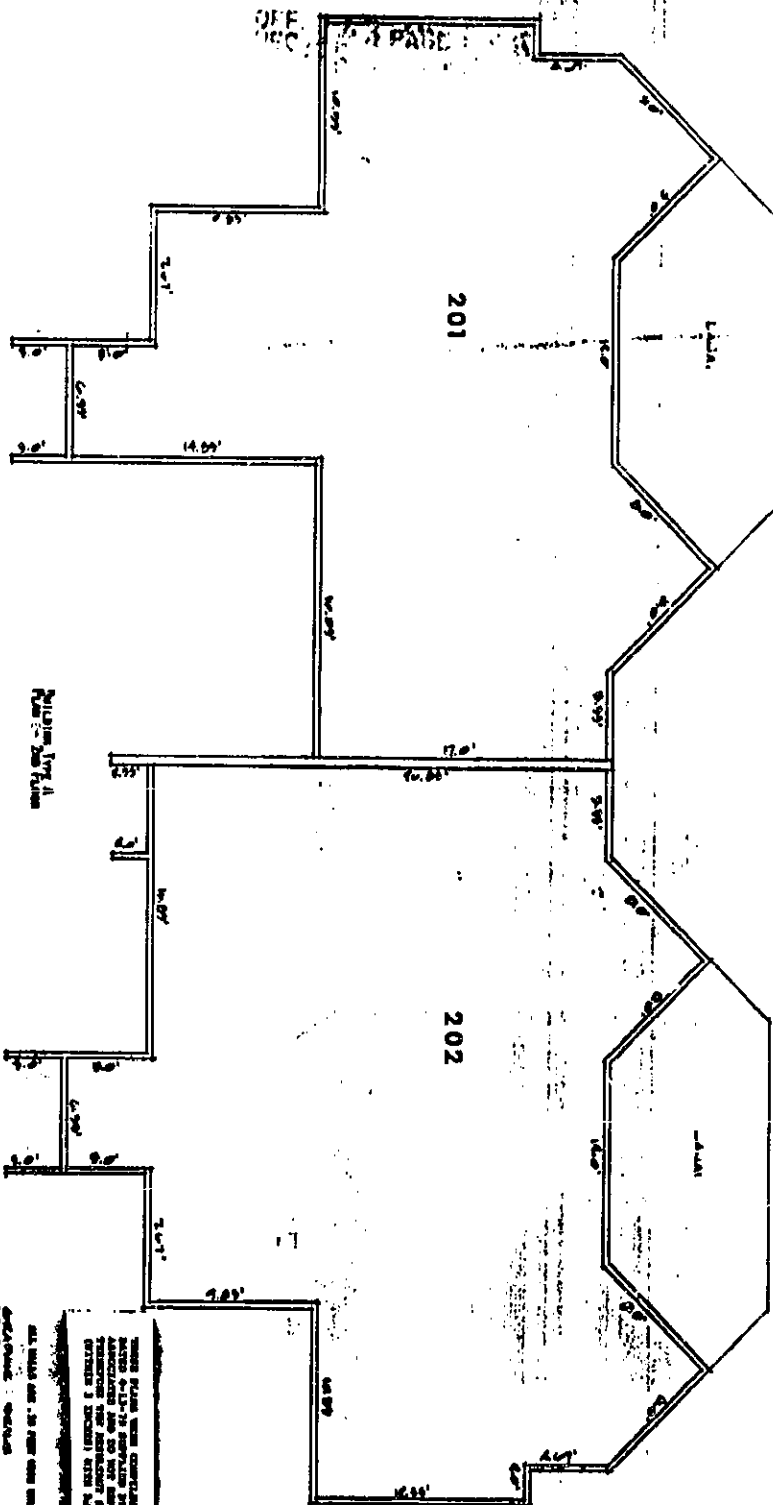


EXHIBIT A, PAGE 1

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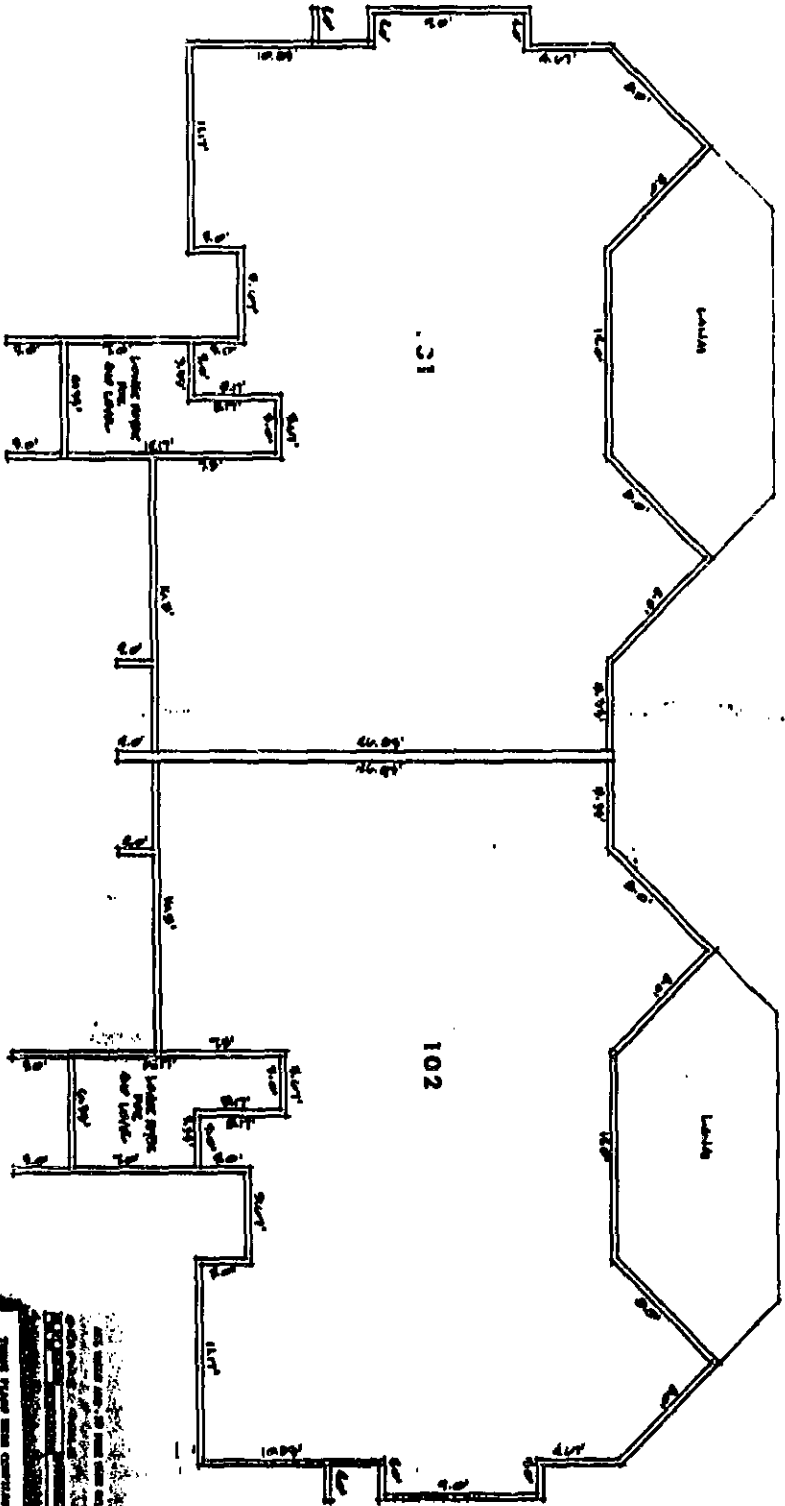


THESE PLANS WERE COMPILED FROM ANCHITRUSTAL DOCUMENTS DATED 4-17-78 RELATING TO ROUNAL FINANCIAL GROUP ASSOCIATES AND SO NOT NECESSARILY AS AS BEING SENSITIVE. THEREFORE THE INFORMATION SAID INFORMATION MAY HAVE ELEMENTS (OTHERS 3 KNOWN) WITH RESPECT TO THE ACTUAL INFORMATION.

DATE	TIME	LOCATION	WIND	SEA	WAVE	TEMP	WIND	SEA	WAVE	TEMP
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THE FAIRWAY AT PALM COAST

THE FAIRWAYS AT PALM COAST



Building 101 & 102

THE FAIRWAYS AT PALM COAST
CLUBHOUSE
101 & 102
10.00' x 10.00'
10.00' x 10.00'
10.00' x 10.00'
10.00' x 10.00'

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THE FAIRWAYS AT PALM COAST

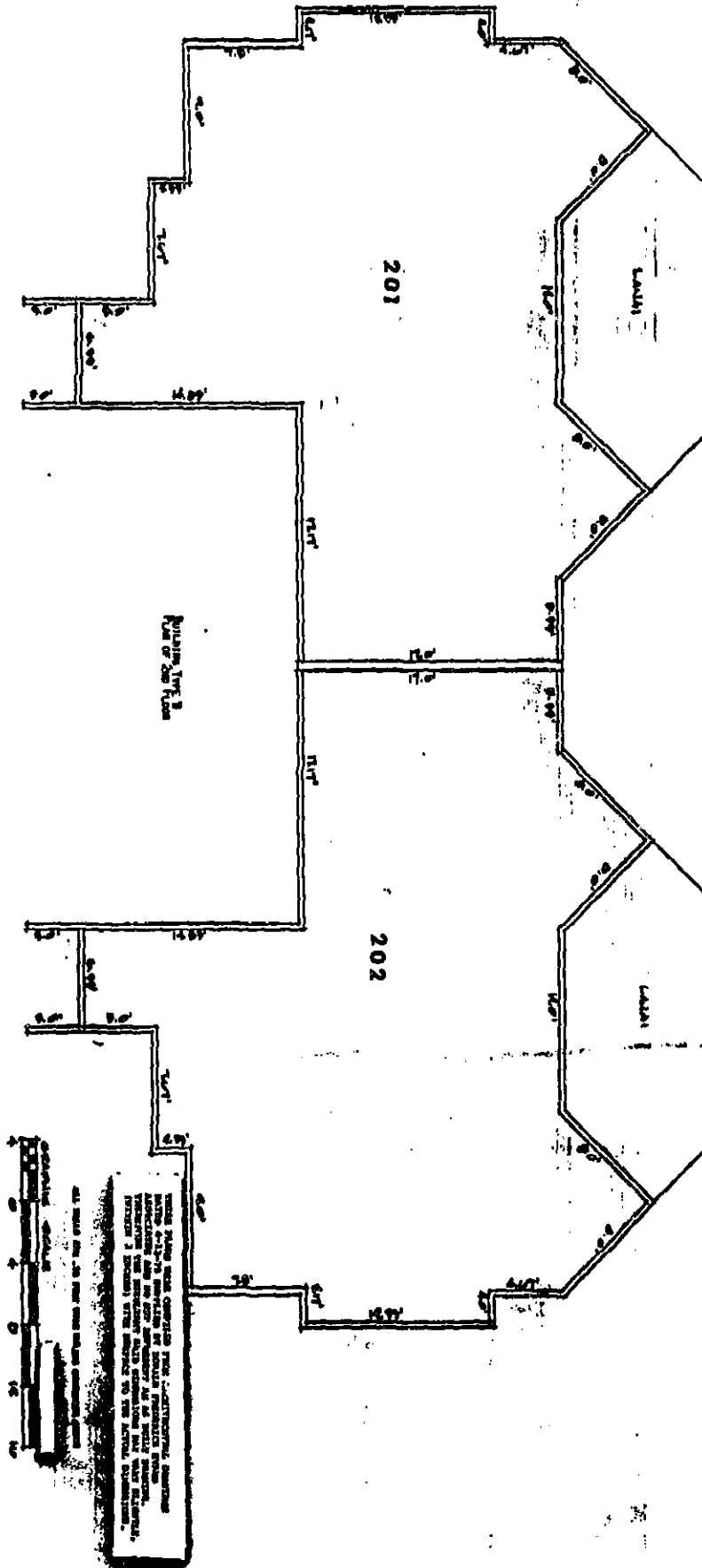


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THE FAIRWAYS AT PALM COAST

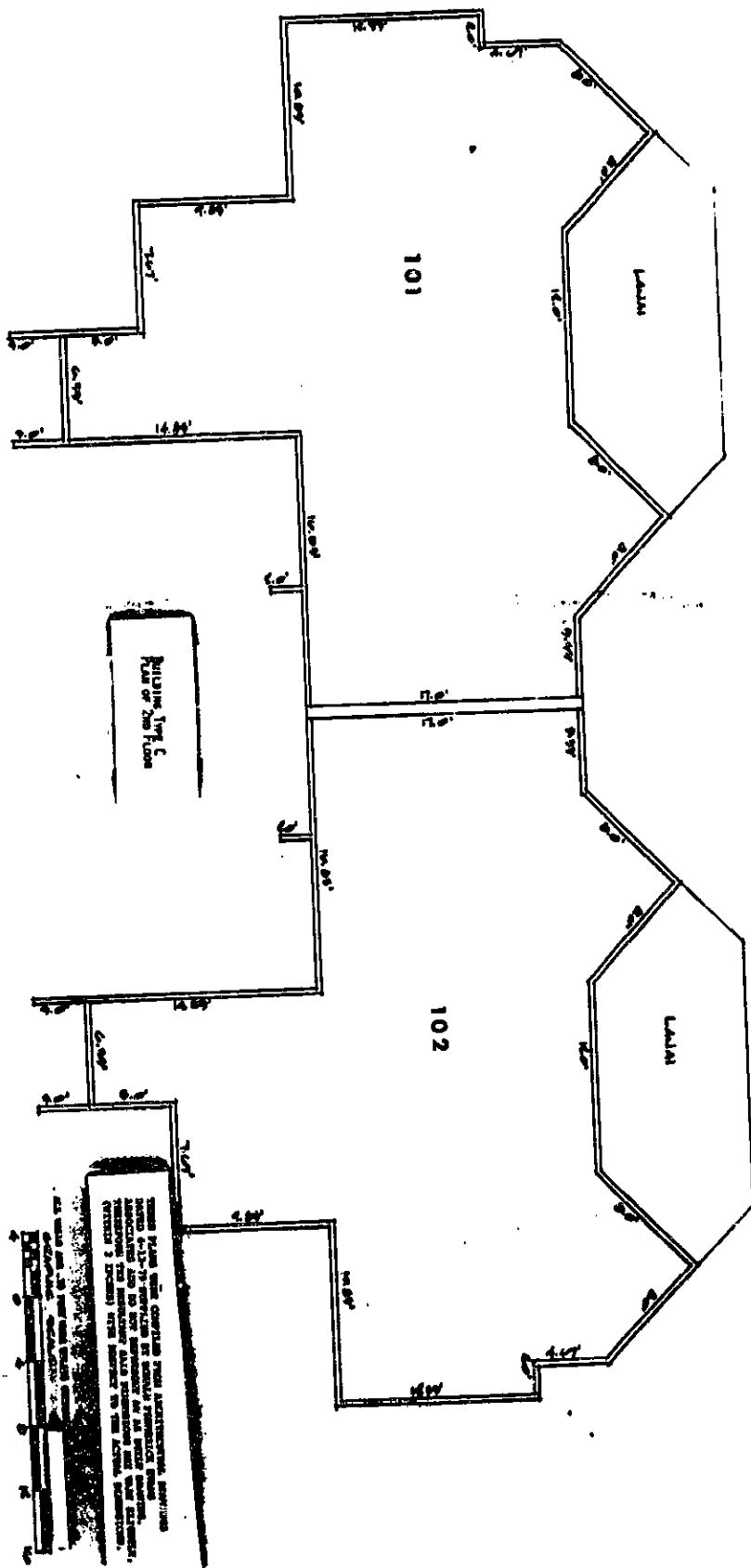
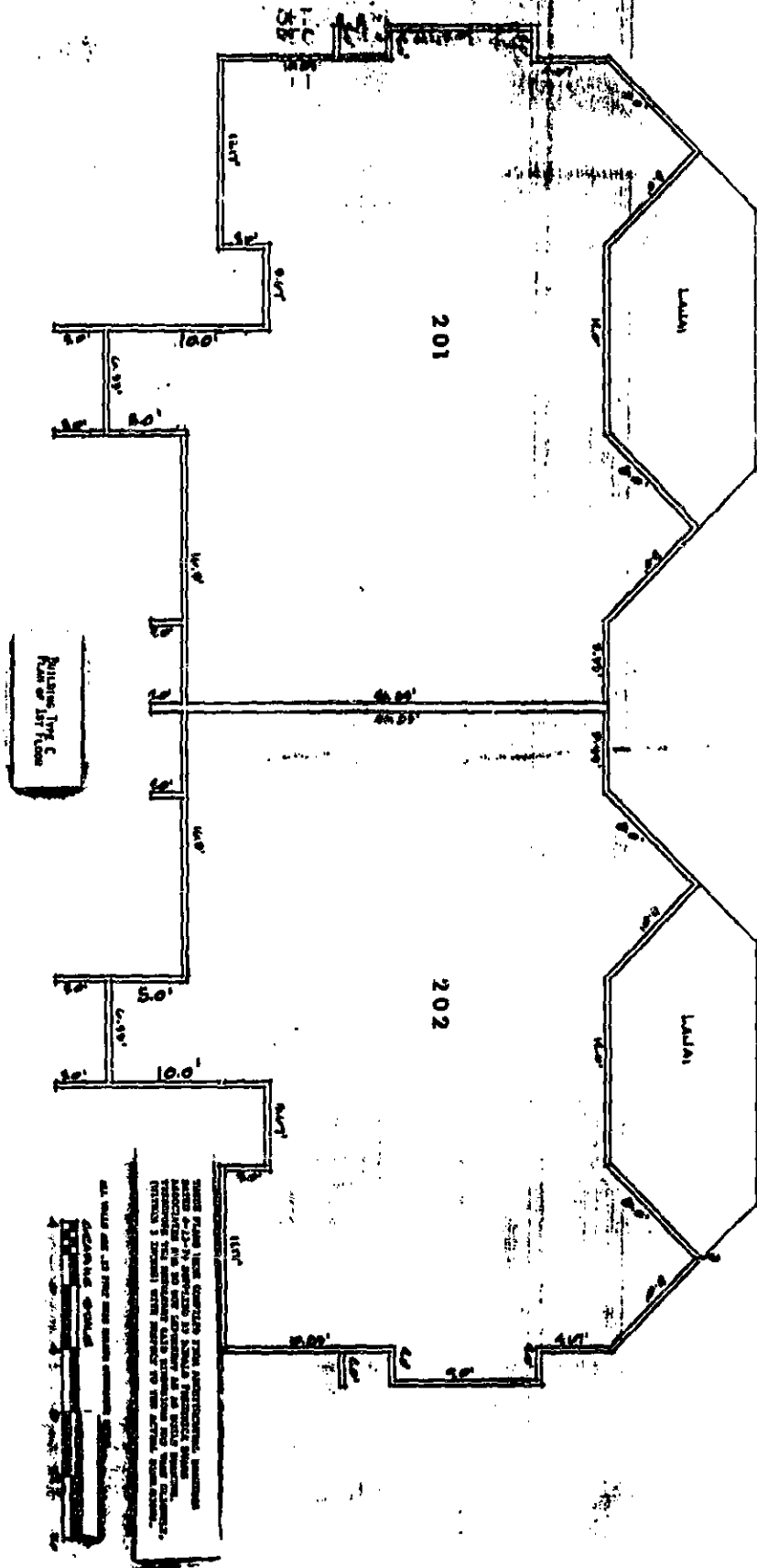


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THE FAIRWAYS AT PALM COAST

THE FAIRWAYS
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PALM COAST

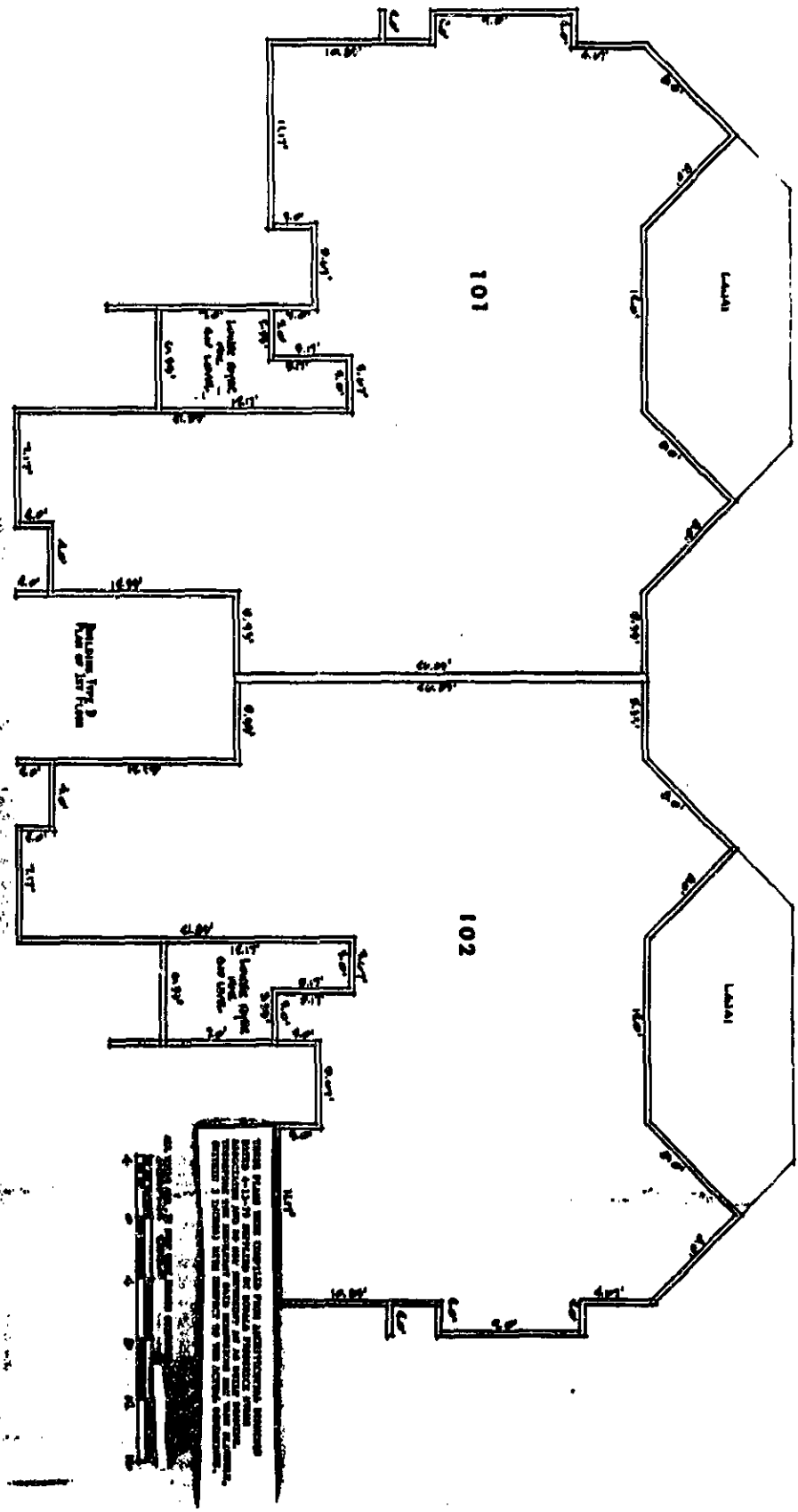
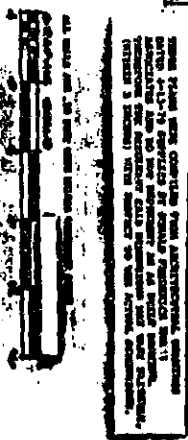


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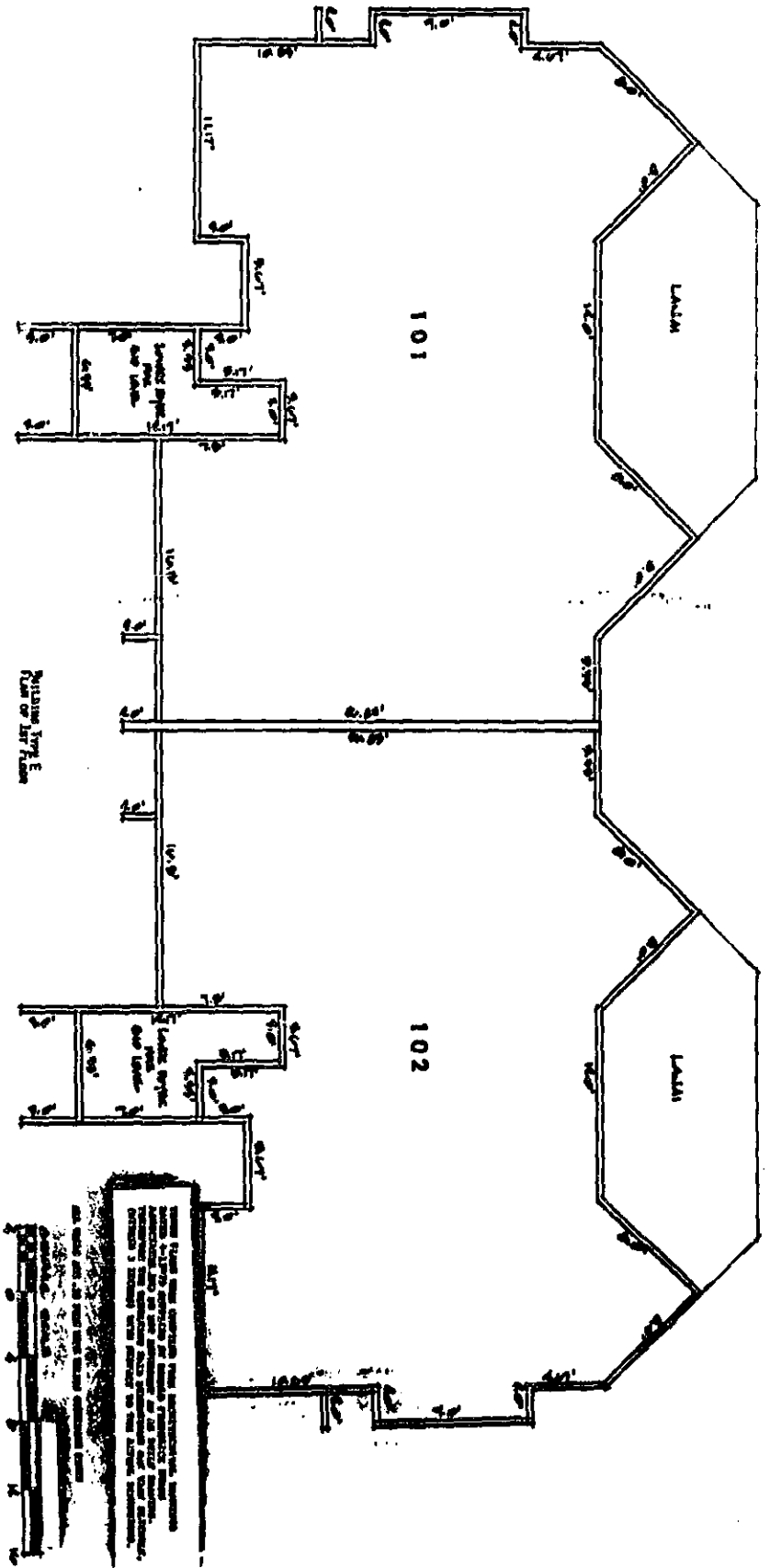


PALM COAST

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THE FAIRWAYS AT PALM COAST

EXHIBIT A, PAGE 9

THE FAIRWAYS AT PALM COAST

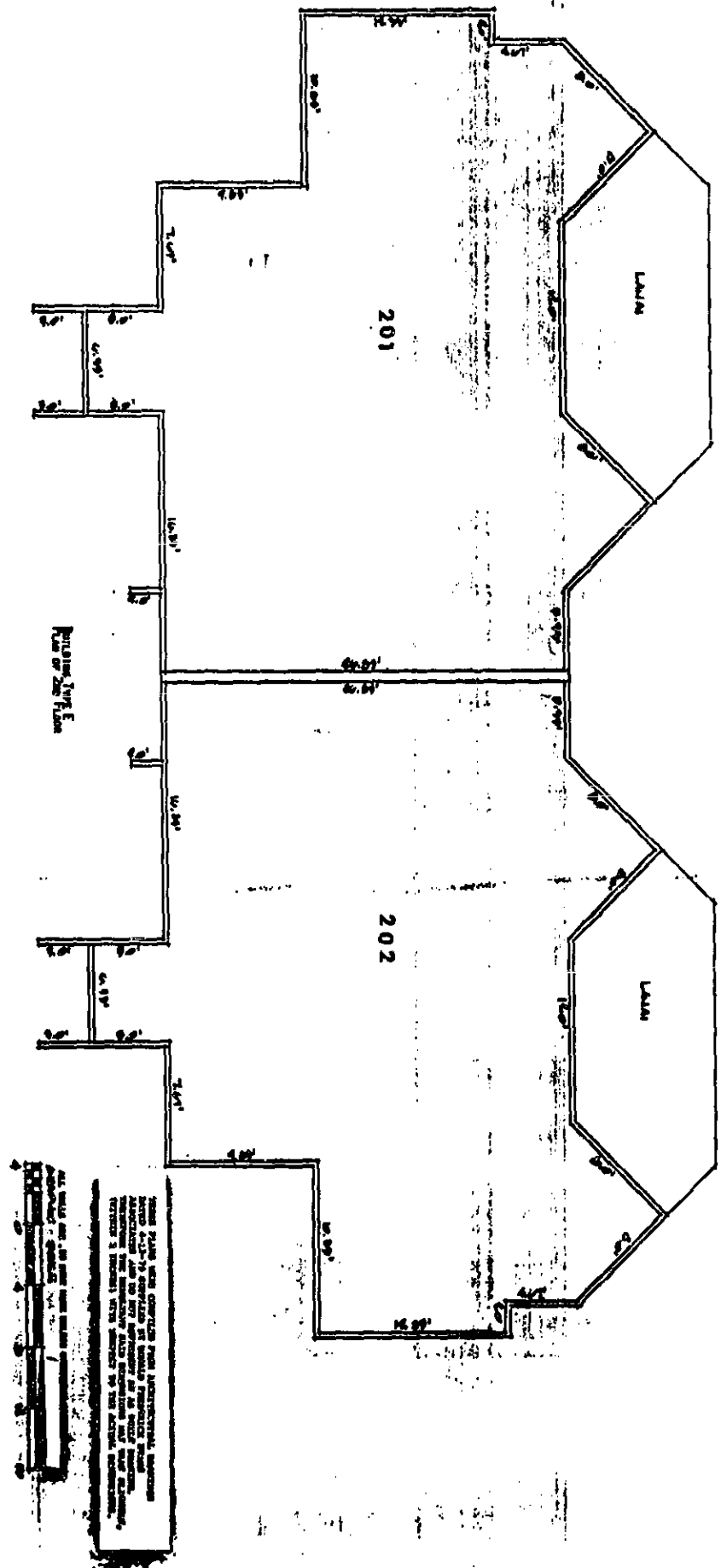
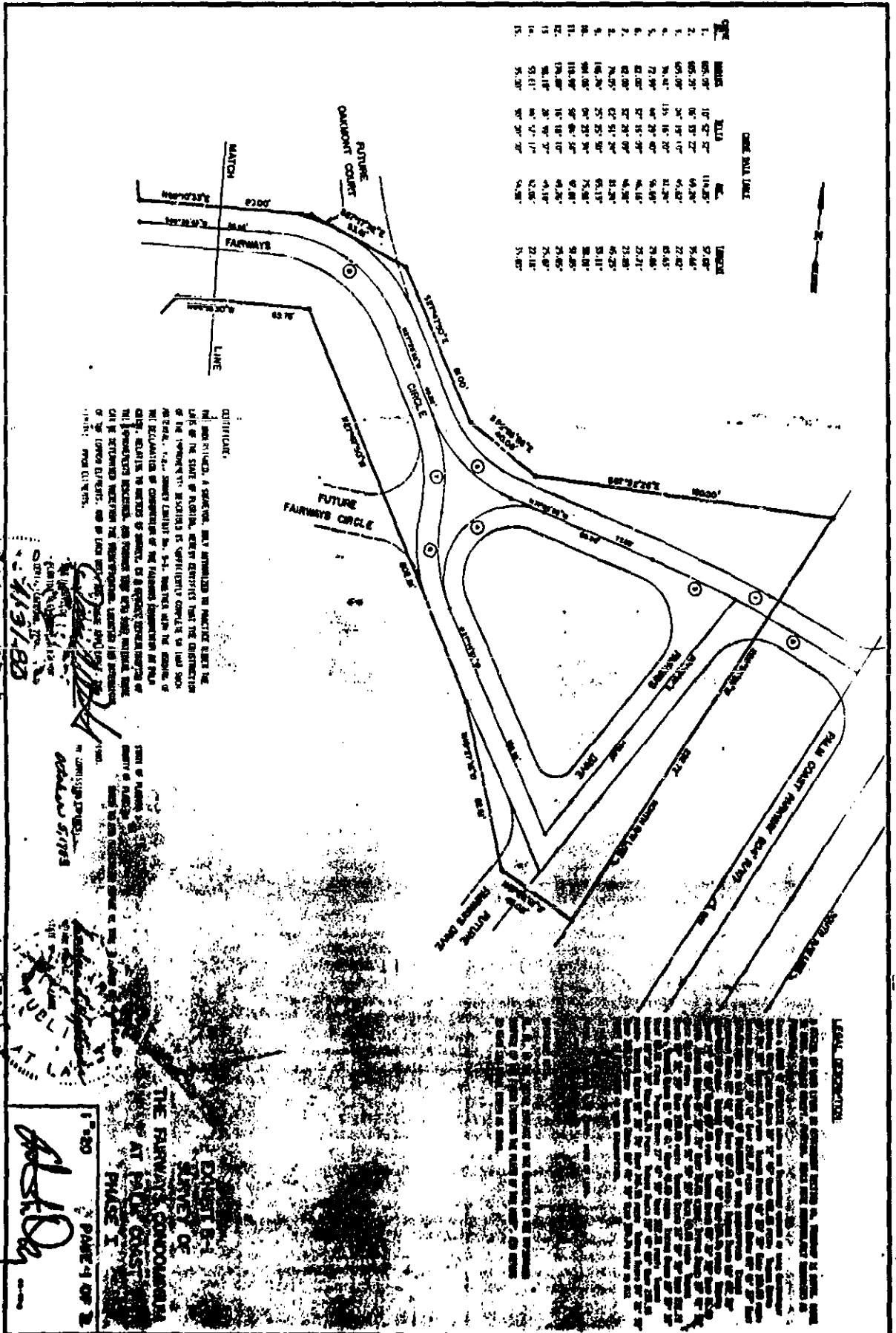
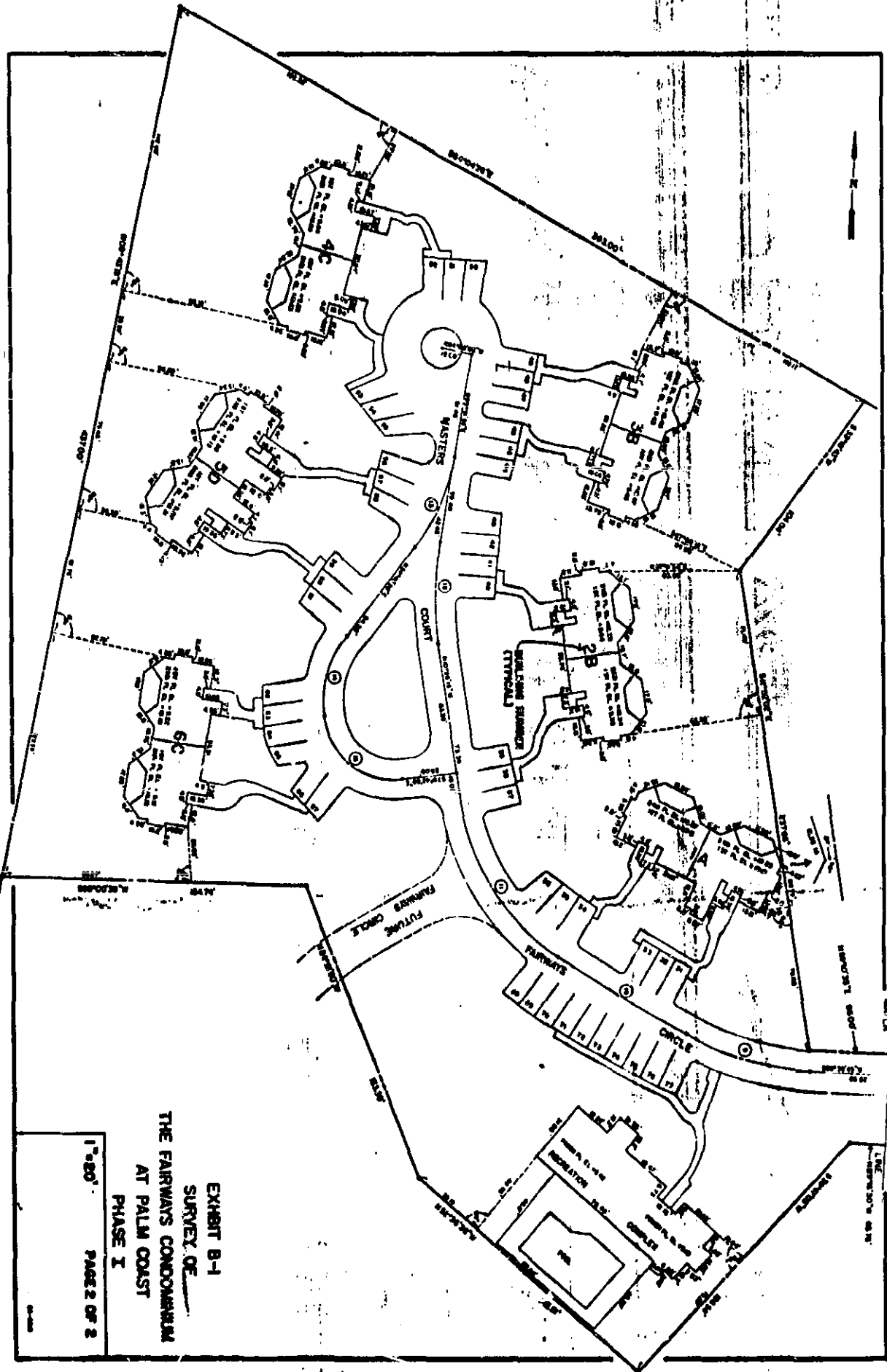


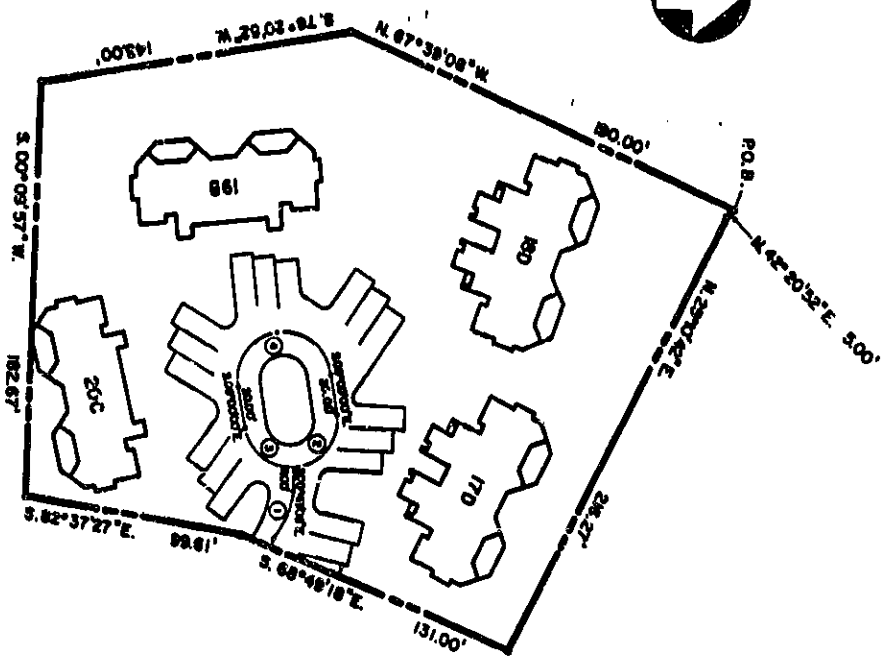
EXHIBIT A, PAGE 10



OFF REC 143 PAGE 0227



Requested By: FTPXML, Printed: 1/24/2022 5:40 PM



THE STATE OF FLORIDA, County of Volusia, ss. I, _____, a Certified Surveyor in and for the State of Florida, do hereby certify that the foregoing plat is a true and correct copy of the original plat as the same appears in my office, and that the same is a true and correct copy of the original plat as the same appears in my office, and that the same is a true and correct copy of the original plat as the same appears in my office.

THE FAIRWAYS AT PALM COAST

TABLE XI
CURVE DATA

STATION	BEARING	LENGTH	AREA
1. 07° 27' 00"	864.73'	18.57'	18.57'
2. 51° 21' 04"	111.94'	18.57'	18.57'
3. 04° 59' 20"	37.00'	18.57'	18.57'
4. 53° 11' 55"	30.43'	18.57'	18.57'
5. 35° 37' 46"	45.79'	18.57'	18.57'
6. 13° 30' 21"	22.18'	18.57'	18.57'
7. 68° 07' 07"	25.00'	18.57'	18.57'
8. 91° 12' 59"	25.00'	18.57'	18.57'
9. 107° 07' 00"	25.00'	18.57'	18.57'
10. 37° 27' 00"	864.73'	18.57'	18.57'
11. 37° 27' 00"	864.73'	18.57'	18.57'

A PARTIAL OF LAND LYING IN CONVERSE SECTION 40, TOWNSHIP 11 NORTH, RANGE 21 WEST, PALMER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

As a PART OF REFERENCE TO THE CONNECTION OF THE EXISTING STATE-OWNED ROAD OR HIGHWAY (CR 1000-00-00) WITH THE PROPOSED STATE-OWNED ROAD OR HIGHWAY (CR 1000-00-00) AS SHOWN ON THE PLAT OF THE PALM COAST FAIRWAYS AT PALM COAST, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CR 1000-00-00 (CR 1000-00-00) WITH THE PROPOSED STATE-OWNED ROAD OR HIGHWAY (CR 1000-00-00) AS SHOWN ON THE PLAT OF THE PALM COAST FAIRWAYS AT PALM COAST, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CR 1000-00-00 (CR 1000-00-00) WITH THE PROPOSED STATE-OWNED ROAD OR HIGHWAY (CR 1000-00-00) AS SHOWN ON THE PLAT OF THE PALM COAST FAIRWAYS AT PALM COAST, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

EXHIBIT B-4

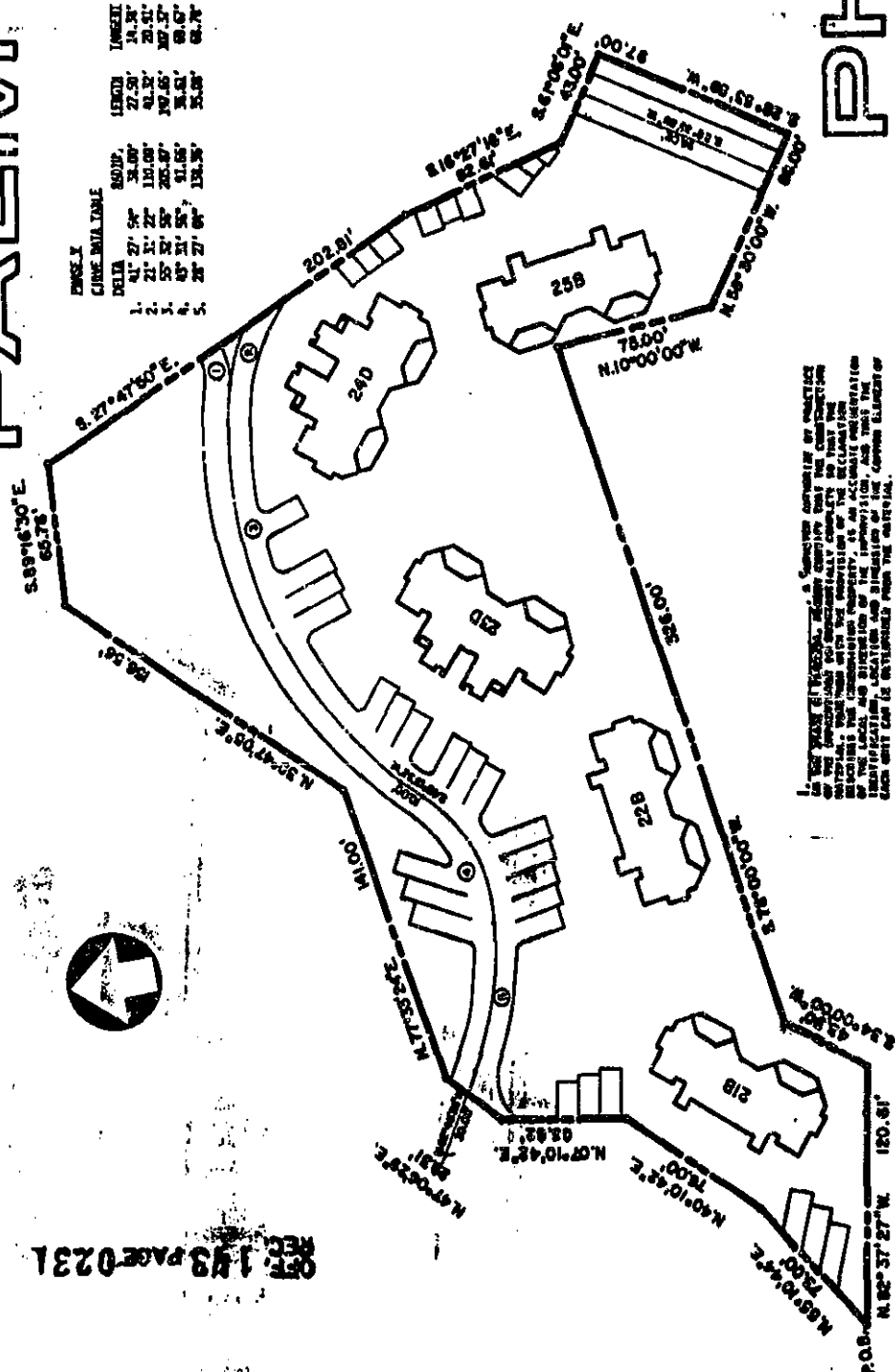
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PHASE IV

WUAI

Price: Over \$1000 2.75 4.25 6.00 or 12.00.

REFERENCE		FURNITURE			FURNITURE	
No.	Type	Given Place	Received Place	Received Date	Received By	
25	B					
26	B					
27	B					
28	B					
29	B					
30	B					

[illegible]



PHASE VI

PAGE 11			
ORANGE HILL WYOM.			
DATE	TIME	PERSON	REMARKS
1. 17-30-94	67.80°	55.35°	8.17
2. 30-04-00*	28.03°	31.42°	21.85
3. 30-08-00*	20.05°	31.42°	21.85
4. 18-08-00*	20.04°	32.80°	--

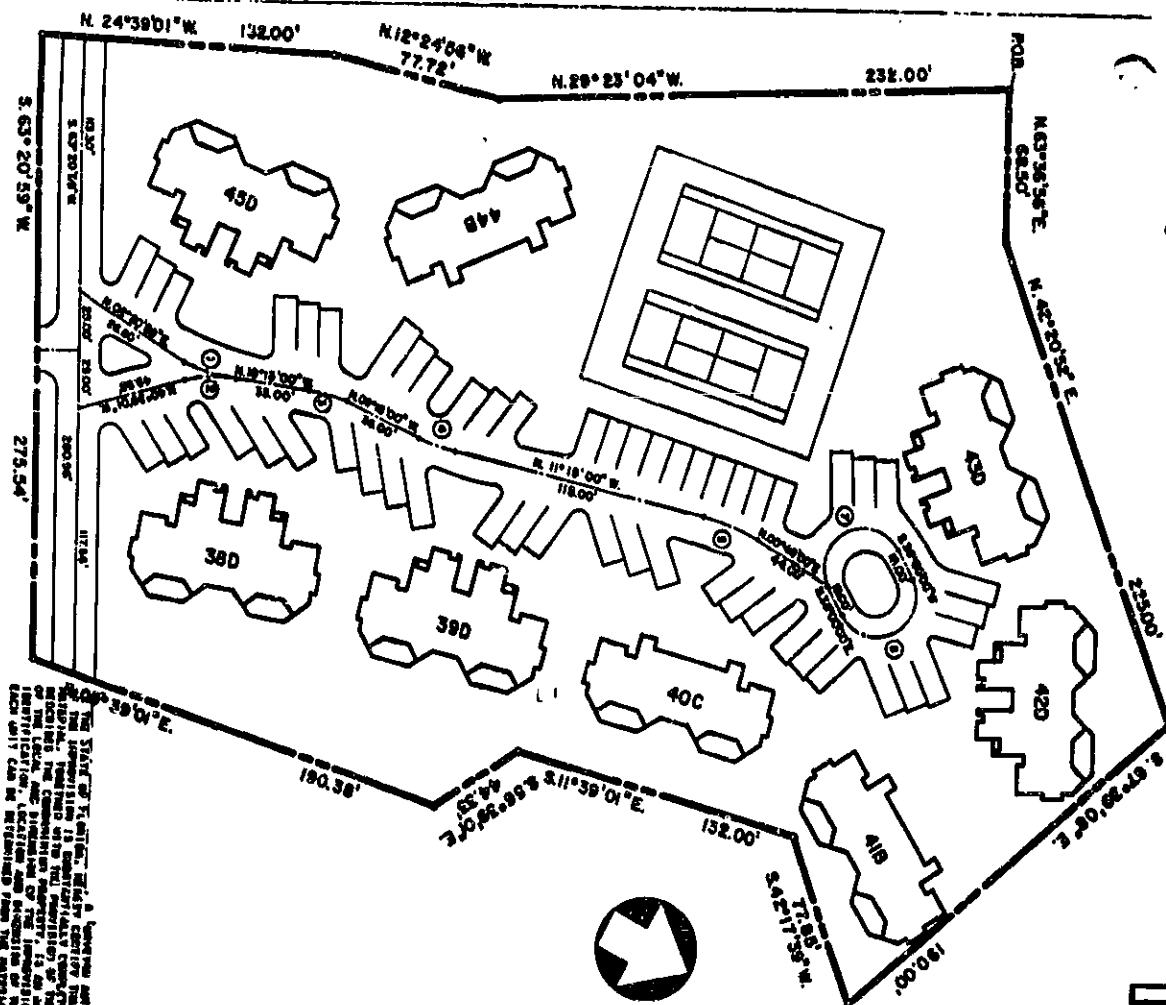
[illegible]

EXHIBIT B-6

CITY		COUNTY	
No.	100	100	100
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4	100	100	100
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6	100	100	100
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8	100	100	100
9	100	100	100
10	100	100	100

THE FAIRWAYS

PALM COAST



CRANE TILL

NO.	AREA	DEPTH	LENGTH	WIDTH
1.	20' 5" 50'	80.00'	28.75'	18.50'
2.	20' 5" 50'	75.00'	28.75'	18.50'
3.	15' 00' 00'	50.00'	11.00'	4.50'
4.	15' 00' 00'	100.00'	11.00'	4.50'
5.	15' 00' 00'	100.00'	11.00'	4.50'
6.	15' 00' 00'	100.00'	11.00'	4.50'
7.	20' 00' 00'	20.00'	62.00'	18.50'

A PORTION OF LAND LYING IN SOUTHWEST SECTION 40, TOWNSHIP 21 NORTH, RANGE 21 WEST, PALMER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

As a PORTION OF SOUTHWEST SECTION 40, TOWNSHIP 21 NORTH, RANGE 21 WEST, PALMER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

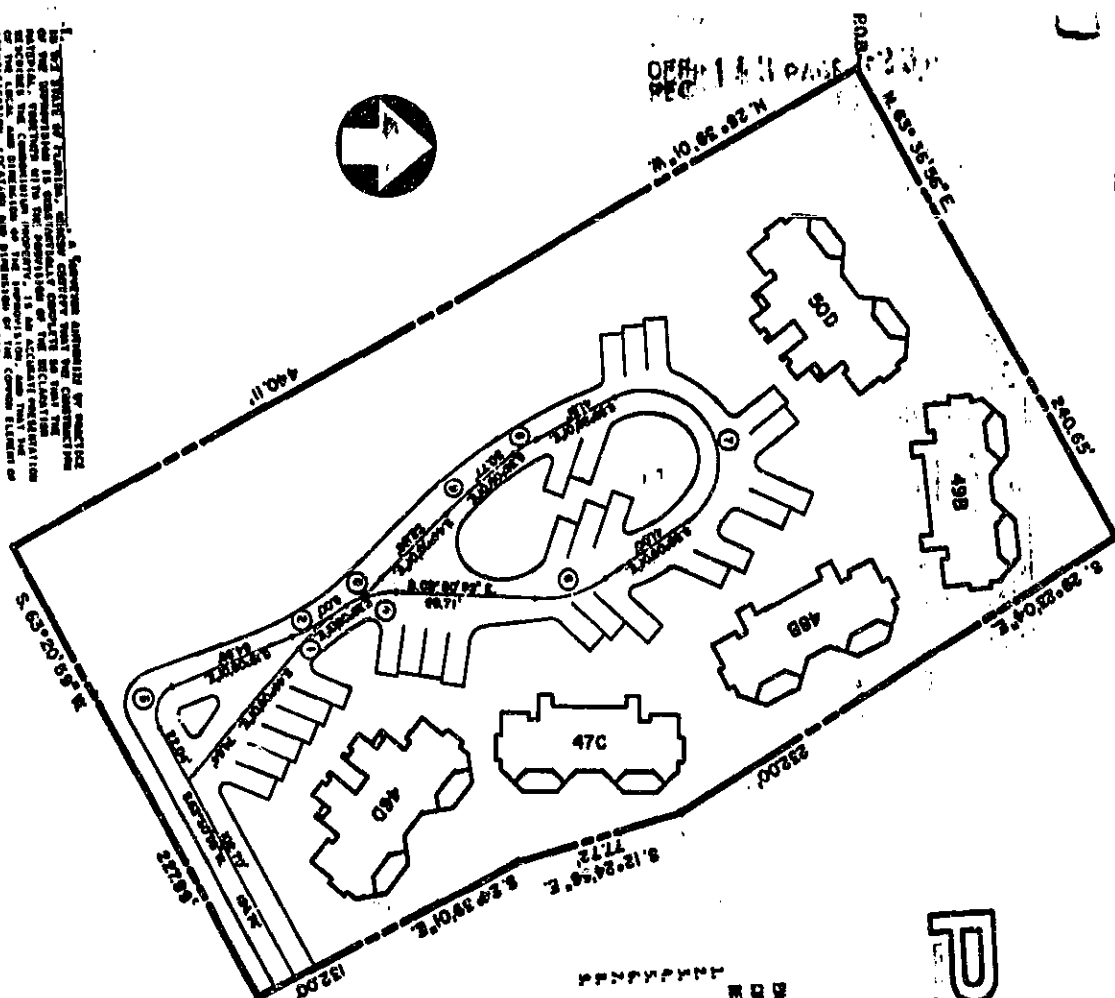
As a PORTION OF SOUTHWEST SECTION 40, TOWNSHIP 21 NORTH, RANGE 21 WEST, PALMER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

EXHIBIT B-8

NO.	AREA	DEPTH	LENGTH	WIDTH
1.	20' 5" 50'	80.00'	28.75'	18.50'
2.	20' 5" 50'	75.00'	28.75'	18.50'
3.	15' 00' 00'	50.00'	11.00'	4.50'
4.	15' 00' 00'	100.00'	11.00'	4.50'
5.	15' 00' 00'	100.00'	11.00'	4.50'
6.	15' 00' 00'	100.00'	11.00'	4.50'
7.	20' 00' 00'	20.00'	62.00'	18.50'

PHASE VIII

PALM COAST



CONE SOLA TABLE		DATE	
RELAY	RELAY	RELAY	RELAY
1	15	15	15
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99	15	15	15
100	15	15	15

OFFICIALS		SPECIAL PRISON OFFICIALS	
No.	Age	Place From	Qualification
40	37		
41	37		
42	37		
43	37		
44	37		
45	37		

[illegible]

EXHIBIT B-9

PHASE IX

OFF. 143 PAGE 0236
REC.

A PARCEL OF LAND LYING IN CONJUNCTION SECTION 44 TOWNSHIP 11 SOUTH,
RANGE 31 EAST, PLUMER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

[illegible]

THICK, CONTAINING 75 ACRES, MORE OR LESS

to the State of Louisiana. It appears therefore by recitation of the introduction to the certificate that the construction of the bridge is not for the benefit of the State of Louisiana. Therefore, we are of the opinion of the Commission that the construction of the bridge is not for the benefit of the State of Louisiana, and that the certificate is not valid. The certificate is not valid, and the same should be annulled.



OFF. 143 PAGE 0237
REC.

State of Florida

DEPARTMENT OF STATE • DIVISION OF CORPORATIONS

I certify that the following is a true and correct copy of Articles of Incorporation of THE FAIRWAYS CONDOMINIUM AT PALM COAST, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on August 1, 1978, as shown by the records of this office.

The charter number for this corporation is 743769.



GIVEN under my hand and the Great
Seal of the State of Florida, at
Tallahassee, the Capital, this ... the,

4th day of August, 1978.

John M. Lewis, Jr.
SECRETARY OF STATE

CER 101 7-17-78

ARTICLES OF INCORPORATION

OF

THE FAIRWAYS CONDOMINIUM AT PALM COAST, INC.

1. NAME

The name of the Corporation is THE FAIRWAYS CONDOMINIUM AT PALM COAST, INC.

2. PURPOSE

The Corporation is organized as a Corporation not for profit under provisions of Chapter 617 of the Florida Statutes and is a Condominium Association as referred to and authorized by Section 718.111 of the Florida Statutes. The purpose for which the Corporation is organized is to provide an entity responsible for the operation of a Condominium in Flagler County, Florida, known as The Fairways Condominium at Palm Coast. Said Condominium is herein called "Condominium" and the Declaration of Condominium whereby the same has or will be created is herein called "Declaration". A description of the lands of the Condominium is set forth in the Declaration.

3. QUALIFICATION OF MEMBERS AND MANNER OF THEIR ADMISSION.

The members of this Corporation shall constitute all of the record owners of Condominium Parcels of the Condominium. Change of membership in this Corporation shall be established by recording in the Public Records of Flagler County, Florida, a deed or other instrument establishing record title to a Condominium Parcel and the delivery to the Corporation of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Corporation. The membership of the prior owner of such Condominium Parcel shall be thereby terminated. Where any one unit or parcel of Condominium property is owned by more than one person, firm, individual or corporation or other legal entity, the composite title holder shall be and constitute one member of membership. Any

person, firm, individual, Corporation or legal entity owning more than one Unit or parcel shall be as many members as the number of Units owned.

4. TERM

The existence of the Corporation shall be perpetual unless the Condominium is terminated pursuant to the provisions of its Declaration and in the event of such termination, the Corporation shall be dissolved in accordance with law.

5. NAMES AND RESIDENTS OF SUBSCRIBERS

The names of the Subscribers of these Articles of Incorporation are:

Wayne Beighle, Courthouse Drive, P.O. Box "B"
Palm Coast, FL 32037

Stan Rosenbaum, Executive Offices, Palm Coast, FL 32037

Antonio Rico, Executive Offices, Palm Coast, FL 32037

6. DIRECTORS AND OFFICERS

The affairs of the Association shall be managed by its Board of Directors. The officers of the Corporation shall be a President, Vice-President, Treasurer and Secretary, which officers shall be elected annually by the Board of Directors. The Directors and Officers may lawfully and properly exercise the powers set forth in Paragraph (11) hereof, notwithstanding the fact that some or all of them who may be directly or indirectly involved in the exercise of such powers and in the negotiation and/or consummation of the Agreements executed pursuant to such powers are some or all of the persons with whom the Corporation enters into such Agreement or who are employed by or own some or all of the proprietary interests in the entity or entities with whom the Corporation enters into such Agreements. Disclosure of such Agreements by setting forth the same in the Declaration, as initially declared or subsequently redeclared or amended, shall stand as an absolute confirmation of such Agreements and the valid exercise by the Directors and Officers of this Corporation of the powers pertinent thereto.

7. NAMES OF OFFICERS

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REC.

The names of the officers who are to serve until the first election or appointment are as follows:

Wayne Beighle, President
Stan Rosenbaum, Vice President and
Antonio Rico, Secretary/Treasurer

8. BOARD OF DIRECTORS

The Board of Directors shall consist of not less than three, nor more than seven persons initially; the names and addresses of the persons who are to serve as such until the first election thereof are as follows:

Wayne Beighle, Courthouse Drive, P.O. Box "E"
Palm Coast, FL 32037
Stan Rosenbaum, Executive Offices, Palm Coast, FL 32037
Antonio Rico, Executive Offices, Palm Coast, FL 32037

9. BY-LAWS

The original By-Laws are to be made by the Board of Directors and/or declared under such Declaration. The same may thereafter be amended only with the approval of sixty (60%) percent of all the directors and not less than seventy-five (75%) percent of the members of the Association.

10. AMENDMENT OF ARTICLES

These Articles of Incorporation may be amended only with the approval of sixty (60%) percent of all the Directors and not less than seventy-five (75%) percent of the members of the Association.

11. POWERS

The Corporation shall have all of the following powers:

1. All of the powers set forth and described in Section 617.021 of the Florida Statutes not repugnant to any of the provisions of Chapter 718 of the Florida Statutes.
2. All of the powers of an Association as set forth in Chapter 718 of the Florida Statutes.

3. To acquire and enter into agreements whereby it acquires leaseholds, memberships or other possessory or use interests in lands or facilities including, but not limited to country clubs, golf courses, marinas, and other recreational facilities, whether or not contiguous to the lands of the Condominium intended to provide for the enjoyment, recreation, or other use of benefit of the Unit owners.

4. To contract with a third party for the management of the Condominium and to delegate to the Constructor all powers and duties of this Corporation except such as are specifically required by the Declaration and/or the By-Laws to have the approval of the Board of Directors or the membership of the Corporation.

5. To acquire by purchase, or otherwise, parcels of the Condominium, subject nevertheless to the provisions of the Declaration and/or By-Laws relative thereto.

6. To operate and manage the Condominium in accordance with the sense, meaning, direction, purpose and intent of the Declaration as the same may from time to time be amended and to otherwise perform, fulfill and exercise the powers, privileges, options, rights, duties, obligations and responsibilities entrusted to or delegated to it by the Declaration and/or By-Laws.

12. INDEMNIFICATION

Every Director and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a Director or Officer at the time said expenses are incurred. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

13. INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of this Corporation is Executive Offices, Palm Coast, Florida, 32037, and

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REC. 143

the name of the initial registered agent of this Corporation is Wayne Beighle.

WE, the undersigned, being each of the subscribers hereto, do hereby subscribe to these Articles of Incorporation and in witness whereof, we have hereunto set our hands and seals this 5th day of July, 1978.

/S/ WAYNE BEIGHLE
WAYNE BEIGHLE, PRESIDENT

/S/ STAN ROSENBAUM
STAN ROSENBAUM, VICE PRESIDENT

/S/ ANTONIO RICO
ANTONIO RICO, SECRETARY/TREASURER

STATE OF FLORIDA
COUNTY OF FLAGLER

BEFORE ME, the undersigned authority, personally appeared Wayne Beighle, Stan Rosenbaum, and Antonio Rico, and acknowledged before me that they executed the above and foregoing Articles for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal at Palm Coast, said County and State, this 5th day of July, 1978.

/S/ GLYN STANIEC
NOTARY PUBLIC

My Commission Expires: June 16, 1982

STATE OF FLORIDA
COUNTY OF DADE

BEFORE ME, the undersigned authority, personally appeared Stan Rosenbaum, and acknowledged before me that they executed the above and foregoing Articles for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal at Miami, said County and State, this 5th day of July, 1978.

/S/ LINDA K. MALLICO
NOTARY PUBLIC

My Commission Expires: March 11, 1981

EXHIBIT D

BY-LAWS

OF

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REC. 143 PAGE 0243

THE FAIRWAYS CONDOMINIUM AT PALM COAST, INC.

A Condominium

ARTICLE I

General

Section 1. Identity: The name of the corporation shall be THE FAIRWAYS CONDOMINIUM AT PALM COAST, INC., which is a corporation not for profit organized for the purpose of managing, operating and administering THE FAIRWAYS CONDOMINIUM AT PALM COAST to be established on the real property more fully described in the Declaration of Condominium to which a copy of these By-Laws are attached and which Declaration is to be recorded in the Public Records of Flagler County, Florida.

Section 2. The Principal Office: The principal office of the corporation shall be at the condominium property or at such other place as may be subsequently designated by the Board of Administration.

Section 3. Definitions: As used herein, the term "corporation" shall be equivalent of "association" as defined in the Condominium Declaration, and the words "property", "unit owner", and "condominium" are defined as set forth in the Condominium Declaration, etc., of the corporation, to which these By-Laws are attached. The "Board of Directors" may also be referred to as the "Board of Administration" and such designation shall be interchangeable.

ARTICLE II

Directors

Section 1. Number and Term: The number of directors which shall constitute the whole Board of Administration shall not be less than

three (3) persons and may be increased from time to time by the members of the Board.

The Directors shall be elected at the annual meeting of the members and each Director shall be elected to serve for the term of one (1) year or until his successor shall be elected and shall qualify. Until succeeded by Directors elected at the first annual meeting of the members, Directors need not be members; thereafter, all Directors shall be members. The first Board of Directors shall have three members.

Section 2. Removal: Except for the first Board of Directors and any Directors appointed by the Developer as provided for herein, a Director elected or appointed as provided in the Declaration may be removed from office upon the affirmative vote of a majority of the members (unit owners) for any reason deemed by the members to be detrimental to the best interests of the Association; provided, further, before any director is removed from office, he shall be notified in writing that a motion to remove him will be made prior to the meeting at which said motion is made, and such Director shall be given an opportunity to be heard at such meeting, should he be present, prior to the vote of his removal. A Director elected or appointed by the Developer may be removed by the Developer who shall designate the successor Director.

Section 3. Vacancy and Replacement: If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum at a special meeting of Directors duly called for this purpose, shall choose a successor or successors who shall hold office for the unexpired term in respect to which vacancy occurred.

Section 4. First Board of Administrators: The first Board of Administrators shall consist of:

Wayne Beighle
Stan Rosenbaum
Antonio Rico

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REC: 143 PAGE 11245

who shall hold office and exercise all powers of the Board of Directors until the first membership meeting as set forth in ARTICLE V of these By-Laws; provided, any or all of said Directors shall be subject to replacement in the event of resignation or death as above provided except as follows:

At such time as unit owners other than the Developer own fifteen (15%) percent or more of the condominium units that will be operated ultimately by the Condominium Association, the unit owners other than the developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Administration of the Association. Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Administration upon the earliest occurrence of any of the following:

- (A) Three (3) years after sales by the Developer have been closed on fifty (50%) percent of the condominium units that will be operated ultimately by the Association; or
- (B) Three (3) months after sales have been closed by the Developer on ninety (90%) percent of the units that will be operated ultimately by the Association; or,
- (C) When all of the units that will be operated ultimately by the Association have been completed and some of them have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business.
- (D) The Developer shall be entitled to elect not less than one member of the Board of Administration as long as it holds for sale, in the ordinary course of business, at least five (5%) percent of the units in the condominium to be operated by the Association.

Section 5. Powers: The property and business of the corporation shall be managed by the Board of Administration which may exercise

all corporate powers not specifically prohibited by Condominium Act, the Declaration of Condominium, the Certificate of Incorporation, or by these By-Laws directed or required to be exercised or done by the members. These powers shall specifically include, but not be limited to the following:

a. to lev/ upon the members quarterly and other assessments as are necessary for anticipated current operating expenses of the Association. The Board of Administration may increase the quarterly assessments or vote a special assessment in excess of that amount, if required, to meet any necessary additional expenses, but said increase can only be made in the proportion established in Article V, Section C, of these By-Laws.

b. to use and to expend assessments collected to maintain, care for and preserve the condominium units, the common elements, the limited common elements, and the condominium property (other than those portions of the limited common elements and the units, including the interiors of the condominium units, which are to be maintained, cared for and preserved by the individual condominium unit owners);

c. to pay taxes and assessments levied and assessed against any real property the corporation might own and to pay for such equipment and tools, supplies and other personal property purchased for use in such maintenance, care and preservation;

d. to enter into and upon the condominium units when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care and preservation. For the purpose of preservation, care and restoration of condominium property, each owner of a condominium unit grants a perpetual easement in the event of an emergency to the then existing Board of Administration or its duly authorized agents to enter into his condominium unit at any reasonable time (or at any unreasonable time if the necessities of the situation should require);

e. to repair and replace common element and limited common element facilities, machinery and equipment;

f. to insure and keep insured the owners against loss from public liability and to carry such other insurance as the Board of

Administration may deem advisable; and in the event of damage or destruction of property, real or personal, covered by such insurance, to use the proceeds for repairs and replacement, all in accordance with the provisions of the Declaration of Condominium;

g. to collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from unit owners for violations of the Declaration of Condominium, these By-Laws or Rules and Regulations adopted by the Board of Directors;

h. to employ such personnel, make such purchases and enter into such contracts as may be necessary or desirable in carrying out the operation and management of the condominium.

i. to make, amend and repeal Rules and Regulations governing the operating, maintenance and management of the condominium, including without limitation, the use and occupancy of the units by the members, the use of the common elements, the use of the recreational facilities;

j. to enter into contracts for the management, maintenance and operation of the condominium property, provided however, the Association shall retain at all times the powers and duties to be exercised by or under the direction of the Board of Directors as provided in the enabling condominium documents and the applicable Florida Statutes.

Section 6. Compensation: Directors and officers shall serve without compensation.

Section 7. Meetings:

A. The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Administration shall be held at the same place as the general members' meeting, and immediately after the adjournment of same.

B. Regular meetings of the Board shall be held quarterly at such time and place as the Board shall fix from time to time.

C. Special meetings of the Board may be called by the president on five (5) days notice to each director either personally or by mail or telegram. Special meetings shall be called by the president or secretary in a like manner and on like notice on the written request of three (3) directors.

D. Meetings of the Board of Administration shall be open to all unit owners. Notice of all meetings shall be posted in a conspicuous place on the condominium property at least forty-eight (48) hours in advance of each scheduled meeting, to the attention of all unit owners. Except, however, in case of an emergency, a meeting of the Board of Administration may be held without notice.

E. At all meetings of the Board, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Administration, except as may be otherwise specifically provided by statute, by the Declaration of Condominium or by the Articles of Incorporation or by these By-Laws. If a quorum shall not be present in any meeting of directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Annual Statement: The Board shall present at the annual meeting of members, and when called for by a vote of the members at any special meeting of the members, shall provide to the members a full and clear statement of the business and condition of the corporation.

The Association shall maintain accounting records according to good accounting practices which shall be open to inspection by unit owners or their authorized representatives at reasonable times, and written summaries of which shall be supplied at least annually to unit owners or their authorized representatives. Such records shall include:

- (a) A record of all receipts and expenditures.
- (b) An account for each unit which shall designate the name and address of the unit owner, the amount of each

assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

ARTICLE III

Officers

Section 1. Elective Offices: The officers of the corporation shall be members, shall be chosen by the directors and shall be a president, a vice president, a secretary and a treasurer. The Board of Administration may also choose one or more additional vice presidents, assistant secretaries, assistant treasurers, or other officers. No more than one owner of a condominium unit may be an officer at any one time.

Section 2. Election: The Board of Administration at its first meeting after each annual meeting of general members shall elect officers, none of whom excepting the president, need be a director.

Section 3. Appointive Offices: The Board may appoint such officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term: The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Administration shall serve at the pleasure of the Board of Administration and may be removed, at any time by the affirmative vote of a majority of the whole Board of Administration. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Administration.

Section 5. The President:

A. The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the members and directors, shall be ex officio member of all standing committees,

shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

B. He shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the corporation, except where the same are required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Administration to another officer or agent of the corporation.

C. In the absence of the President, the Vice President shall perform the duties of the President.

Section 6. The Secretary:

A. The Secretary shall attend all sessions of the Board and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The minutes book shall be kept in a businesslike manner and shall be available for inspection by unit owners and Board of Administration and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he shall serve. He shall keep in safe custody the seal of the corporation, and, when authorized by the Board, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary.

B. Assistant secretaries in order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the power of the Secretary and shall perform such other duties as the Board of Administration shall prescribe.

Section 7. Treasurer and Assistant Treasurers:

A. The Treasurer shall have the custody of the corporation funds and securities and shall keep full and accurate accounts of the receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Administration.

B. He shall disburse the funds of the corporation as may be ordered by the Board, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meeting of the Board or wherever they may require it, an account of all transactions as Treasurer and of the financial condition of the corporation.

C. Assistant treasurers in the order of their seniority shall, in the absence or disability of the Treasurer, perform the duties, exercise the powers and assume the obligations of the Treasurer, and shall perform such other duties as the Board of Administration shall prescribe.

Section 8. Bonding of Corporate Officers: The Treasurer and all Assistant Treasurers, if any, the President and Secretary, shall be required to be bonded in an amount to be determined by the Board of Administration with a fiduciary bonding company licensed and authorized to transact business in the State of Florida. The cost of the premium for this bond shall be paid by the condominium corporation.

Section 9. Indemnification of Corporate Officers: Every director and officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement thereof, to which he may be a party, or in which he may become involved, by reason of his being or having been an officer or director of the Corporation, whether or not he is a director or officer at the time such expenses are incurred except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, provided that in the event of a settlement the indemnification herein shall apply only when the Board of Administration approves such settlement and reimbursement as being for the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all rights to which such officer or director may be entitled.

ARTICLE IV OFF. 143 PAGE 0202
Membership and Voting Provisions

Section 1. Membership: Membership in the Association shall be limited to owners of the Condominium units in the Condominium. Transfer of unit ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If unit ownership is vested in more than one person, then all of the persons so owning said unit shall be members eligible to hold office, attend meetings, etc.; but, as hereinafter indicated, the vote of a unit in a corporation, said corporation may designate an individual officer or employee of the corporation as its "voting member".

Section 2. Voting:

(a) The owner(s) of each Condominium unit shall be entitled to one (1) vote. If a Condominium unit owner owns more than one unit, he shall be entitled to vote for each unit owned except where said units have been combined to a single unit pursuant to Article VII of the Declaration of Condominium, then such unit owners shall have a number of votes equal to the number of units so combined. The vote of a Condominium unit shall not be divisible.

(b) A majority of the unit owners' total votes shall decide any questions unless the Declaration of Condominium, By-Laws, or Articles of Incorporation of the Association provides otherwise.

Section 3. Quorum: Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the unit owners' total votes shall constitute a quorum.

Section 4. Proxies: Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5), and shall be filed with the Secretary prior to the meeting in which they are to be used, and shall be valid only for the particular meeting designated therein. Proxies shall also designate the person to vote the proxy and such person must be a "voting member" as such term is hereinafter

defined. Where a unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated. No one person shall be designated to hold more than five proxies for any purpose.

Section 5. Designation of Voting Member: If a Condominium unit is owned by one person, his right to vote shall be established by the recorded title to the unit. If a Condominium unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated in a certificate signed by all of the recorded owners of the unit, and filed with the Secretary of the Association. If a Condominium unit is owned by a corporation, the officer or employee thereof entitled to cast the vote of the unit for the Corporation shall be designated in a certificate for this purpose, signed by the President or Vice President, attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the Secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a unit shall be known as the "voting member". If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one person or by a Corporation, the vote of the unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the unit, except if said unit is owned by a husband and wife. Such certificates shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the unit concerned. If a Condominium unit is owned jointly by a husband and wife, the following three provisions are applicable thereto:

(a) They may, but they shall not be required to, designate a voting member.

(b) If they do not designate a voting member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a unit is not divisible.)

(c) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the unit individually, and without establishing the concurrence of the absent person.

ARTICLE V

Meetings of Membership

Section 1. Place: All meetings of the corporation membership shall be held at the office of the corporation, or may be held at such place and time as shall be stated in the notice thereof.

Section 2. Annual Meeting:

A. The first annual meeting shall occur on the first day of the month one year after the Declaration of Condominium to which these By-Laws are attached is recorded in the Public Records of Flagler County, Florida, provide however elections for the Board of Administrators shall not be held until the time when unit owners, other than the developer, are entitled to elect not less than one-third (1/3) of the members of the Board of Administration as provided for in The Declaration of Condominium and Article II, Section 4 of these By-Laws.

B. Regular annual meetings, subsequent to the first annual meeting shall be held on the same day of the same month of each year as the first annual meeting.

C. All annual meetings shall be held at such hour as the Board of Administration may determine.

D. At the annual meeting, the members shall elect, by plurality vote, a Board of Administration, and transact such other business as may properly be brought before the meeting.

E. Written notice of the annual meeting shall be served upon or mailed via regular mail to each member entitled to vote at such address as appears on the books of the corporation at least fourteen (14) days prior to the meeting. Notice of the annual meeting shall be posted at a conspicuous place on the condominium property at least fourteen (14) days prior to said meeting.

Section 3. Membership List: At least fourteen (14) days before every election of Directors, a complete list of the members entitled to vote at said election, arranged numerically by "condominium units", with the residence of each, shall be prepared by the Secretary. Such list shall be produced and kept for said fourteen (14) days and throughout the election at the principal office of the corporation and shall be open to examination by any member throughout such time. No member who is then more than thirty (30) days delinquent in the payment of any assessment shall be entitled to vote at any regular or special meeting.

Section 4. Special Meetings of Members:

A. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President, and shall be called by the President or Secretary at the request in writing of not less than one-fourth (1/4) of the membership entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a special meeting of members, stating the time, place and object thereof, shall be served upon or mailed, via regular mail, to each member entitled to vote at such address as appears on the books of the corporation at least five (5) days before such meeting.

C. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Quorum: Fifty-one percent (51%) of the total number of members entitled to vote of the corporation present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute, by the Articles of Incorporation, the Declaration of Condominium or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote present in person or represented by written proxy, shall have

the power to adjourn the meeting until a quorum shall be present or represented. If, when the meeting has been resumed and a quorum is not present or represented by proxy, the members entitled to vote thereat may declare a quorum that shall constitute forty percent (40%) of the total number of members entitled to vote. If a quorum shall not be present or represented at the resumed meeting as provided herein, then the members entitled to vote shall have the power to adjourn the meeting and declare that a quorum may be reduced by ten (10%) percent for each meeting until a quorum is present. Any business may be transacted at the resumed meeting that could have been transacted at the meeting as originally called.

Section 6. Vote Required to Transact Business: When a quorum is present at any meeting, the vote of a majority of the members entitled to vote present in person or represented by written proxy shall decide any question brought before such meeting unless the question is one upon which, by express provision of the statutes or of the Articles of Incorporation, the Declaration of Condominium or of these By-Laws, a different vote is required, in which case, express provision shall govern and control the decision of such question.

Section 7. Right to Vote: At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or adjournments thereof, must be in writing, signed by the member appointing the proxy, and filed with the Secretary prior to the meeting for which the proxy is given.

Section 8. Waiver and Consent: Whenever the vote of members at a meeting is required or permitted by any provision of the statutes, of the Declaration of Condominium, of the Articles of Incorporation or of these By-Laws to be taken in connection with any action of the corporation, the meeting and vote of members may be dispensed with if all the members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken.

Section 9. Rules of Procedure: OFF. 143 PAGE 0257
REC. Roberts Rules of Order (latest
edition) shall govern the conduct of corporate proceedings when not
in conflict with the Articles of Incorporation, By-Laws, Statute or
Declaration of Condominium.

ARTICLE VI

Notices

Section 1. Definition: Whenever, under the provisions of the statutes or the Articles of Incorporation, or of these By-Laws, or of the Declaration of Condominium, notice is required to be given to any director or member, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a post-paid, sealed wrapper, addressed to such director or member at such address as appears on the books of the corporation.

Section 2. Service of Notice Waiver: Whenever any such notice is required to be given, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII

Finances

Section 1. Fiscal Year: The fiscal year shall begin on the first day of January in each year.

Section 2. Checks: All checks or drafts for money and notes of the corporation shall be signed by any two of the following officers: President, Secretary or Treasurer, or by such officer or officers or such other person or persons as the Board of Administration may from time to time designate.

Section 3. Assessments:

A. The Board of Administration of the Corporation shall, from time to time, at regular meetings or special meetings called for this purpose, fix and determine the sum or sums necessary

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and adequate for the continued operation of the condominium. The Board shall determine the total amount required, including the operational items such as taxes on corporation property, insurance, repairs, maintenance, security, operating capital, reserve for deferred maintenance, other reserves, and other operating expenses, and expenses designated as common expenses from time to time by the Board of Administration of the Association or under the provisions of the Declaration of Condominium to which these By-Laws are attached. The total annual requirements shall be assessed as a single sum against all condominium units and prorated to each of said condominium units. This ratio of assessment shall be in amounts as set forth in the Declaration of Condominium. Said assessments shall be payable quarterly in advance as ordered by the Board of Administration. Special assessments, should such be required, shall be levied and paid in the same manner as hereinbefore provided for regular assessments. The owner agrees to pay promptly when due the quarterly and all special assessments assessed against his own condominium unit. Delinquent assessments will bear interest and late charges as set forth in the Declaration of Condominium to which these By-Laws are an Exhibit. No member shall be personally liable for any debts of the corporation whatsoever.

B. A copy of a proposed annual budget of common expenses shall be mailed, regular mail, to the unit owners, not less than thirty (30) days prior to the meeting of the Board of Administration at which the budget will be considered, together with a notice of that meeting. Such meeting shall be open to the unit owners.

C. So long as the developer is in control of the Board of Administration the Board shall not impose an assessment for a year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of the unit owners. In determining whether assessments exceed 115% of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Administration in respect of repair or replacement of the condominium property or in respect of anticipated expenses by the

condominium association which are not anticipated to be incurred on a regular or annual basis and there shall be excluded from such computation, assessment for betterments to the condominium property or reserves, or assessments for betterments to be imposed by the Board of Administration.

Section 4. Accounts: There shall be established and maintained such bank account or accounts as the Board of Administration shall deem advisable, into which shall be deposited all monthly and special assessments as fixed and determined for all condominium units. Disbursements from said accounts shall be for the general needs of the corporation, including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the property of the corporation.

Section 5. Condominium Expenses: The condominium expenses for which the members shall be liable as set forth in the Declaration of Condominium shall be those costs and expenses deemed necessary or desirable by the corporation for the operation and maintenance of the condominium property, other than maintenance of the interior of a unit and of such other items for whose maintenance and repair a unit owner is responsible although the same are located in the common elements. Such operating and maintenance expenses shall include, but not be limited to, maintenance of all recreational areas, roads, parking areas, lawns, shrubbery and landscaping, water and electricity, landscaping, sprinkler system, electricity for lighting common elements, painting the exterior of all buildings, maintenance and repair of roofs of all buildings, removal of garbage and trash, and costs of the fee under any Management Agreement, and expenses declared common expenses pursuant to the Declaration of Condominium to which these By-Laws are attached.

ARTICLE VIII

Seal

The seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization, and the

words, "Not for Profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced, or in any other form evidencing the intent of the signing officer or officers to have the effect of the corporate seal.

ARTICLE IX

Leasing and Subleasing

The primary object of the corporation is to operate and maintain the property on a mutual and cooperative bases for the housing needs of its members, coupled with the right of occupancy. The right of occupancy, nevertheless, is a matter of discretionary decision by the Board of Directors and every lease or sublease of a condominium unit is subject to the approval of the Board of Administration, as set forth in the Declaration of Condominium. The Board of Administration shall have the right to require that a uniform form of lease shall be used.

ARTICLE X

Amendment

Prior to the first annual meeting of the membership of the Association, said first Board of Administration shall have full power to amend, alter or rescind these By-Laws by majority vote. Thereafter, these By-Laws may be amended in the following manner, as well as in the manner elsewhere provided:

Section 1. Notice: Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 2. Resolution: A resolution adopting a proposed amendment may be proposed by either the Board of Administration or by the members entitled to vote. Directors and members not present at the meeting considering the amendment may express their approval in writing. Except as elsewhere provided, such approval must either be:

A. Not less a majority of Directors and by not less than fifty-one percent (51%) of all of the members entitled to vote; or

B. Until the first election of Directors, only by all of the Directors, provided the amendment does not increase the number of units nor alter the boundaries of the common elements.

Section 3. Agreement: In the alternative, an amendment may be made by an agreement executed by all members and mortgagees in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Flagler County, Florida.

Section 4. Proviso: No amendment to these By-Laws shall be passed which would operate to impair or prejudice the rights of the development of any institutional mortgagee as defined in the Declaration of Condominium. No amendment shall discriminate against any unit owner nor against any unit or class or group of units unless the unit owners so affected shall consent; and no amendment shall change any unit nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, unless the record owner of the unit concerned and all record owners of mortgages thereon shall join in the execution of the amendment.

ARTICLE XI

Miscellaneous

Section 1. The definitions of particular words and phrases contained in the Condominium Act (now Chapter 718, Florida Statutes) or in the Declaration of Condominium shall apply to such words and phrases when used in these By-Laws.

Section 2. Should any provisions of these By-Laws be void or unenforceable in law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

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Section 3. Any lien or other encumbrance upon or against a condominium unit or parcel in favor of the Corporation is hereby declared to be, and shall be, subject, subordinate and inferior to the lien of any mortgage encumbering such unit or parcel where such mortgage is made to a bank, savings and loan association or life insurance company or any institutional lender, as defined in the Declaration of Condominium to which these bylaws are attached and regardless of whether such mortgage was made or recorded before or after the aforesaid lien or encumbrance of the Corporation.

Section 4. The Board of Administration shall have the power to promulgate rules and regulations which shall govern the use of the condominium property and such rules and regulations may be amended, altered, or changed by the Association from time to time.

ARTICLE XII

The foregoing were adopted as the By-Laws of THE FAIRWAYS CONDOMINIUM AT PALM COAST, INC., a Condominium, this 28th day of December, 1979

S/

SECRETARY

APPROVED S/

PRESIDENT

Rec: 7/13/79

EXHIBIT E

Recreation Facilities Within this Condominium

The Recreational facilities to be included in this condominium are located on the lands described in Exhibit B-1 attached hereto. The facilities include a recreational building containing a multipurpose room, kitchen, office, storage area, mens' and womens' restrooms and saunas. Attached to the Building is a screened in swimming pool and deck area.

The recreational facility (building and pool area) will be equipped with personal property having a value of at least THREE THOUSAND (\$3,000.00) DOLLARS.

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SHELLY S. BARBER
CLERK CIRCUIT COURT
FLAGLER COUNTY, FLA.
E. Sanders Jr.