



MONTERREY CONDOMINIUM ASSOC. INC.

980 CAPE MARCO DRIVE, MARCO ISLAND, FL 34145

BUS. (239) 642-6809 - FAX (239) 642-1359

**Amended and Restated
Declaration of Condominium
Bylaws and
Articles of Incorporation**

RECEIVED
7-25-02



SAMOUCE, MURRELL & FRANCOEUR, P.A.

800 Laurel Oak Drive, Suite 300
Naples, Florida 34108

Robert C. Samouce
Robert E. Murrell
Philip M. Francoeur, Jr.

Telephone (239) 596-9522
Facsimile (239) 596-9523

Timothy W. Ferguson
of Counsel

July 24, 2002

Derek Beebe, Manager
Monterrey Condominium Association, Inc.
980 Cape Marco Drive
Marco Island, FL 34145

RE: Amendment to the Declaration of Condominium for Monterrey, a Condominium

Dear Derek:

Pursuant to the approval by the membership of Monterrey Condominium Association, Inc. on May 1, 2002, enclosed please find the original Amendment to the Declaration of Condominium for Monterrey, a Condominium, recorded July 16, 2002, at O.R. Book 3073, Pages 0626 *et seq* in the public records of Collier County. The original documents should be kept with the other official records of the Association. The Association may wish to distribute a copy to the membership.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Kind regards,
SAMOUCE, MURRELL & FRANCOEUR, P.A.

A handwritten signature in black ink, appearing to read 'Robert C. Samouce', written over a horizontal line.

Robert C. Samouce
For the Firm

RCS/tm

Enclosures

CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly and acting President of Monterrey Condominium Association, Inc., a Florida corporation not for profit, hereby certifies that at a meeting of the members held on May 1, 2002, where a quorum was present, after due notice, the resolution set forth below was duly approved by the vote indicated for the purpose of amending the Declaration of Condominium for Monterrey, a Condominium, as originally recorded in O.R. Book 2136 at Pages 0352 *et seq.*, of the Public Records of Collier County, Florida, as previously amended.

The following resolution was approved by at least two-thirds (2/3rds) of the voting interests who were present and voting, in person or by proxy.

RESOLVED: That the Declaration of Condominium for Monterrey, a Condominium, is hereby amended; and the amendment is adopted in the form attached hereto, and made a part hereof. *(for use by Clerk of Court)*

Date: 6-10-02

MONTERREY CONDOMINIUM ASSOCIATION, INC.

(1) Lou Symanski
Witness
Print Name: LOU SYMANSKI

By: James Paradise
James Paradise, President
980 Cape Marco Drive
Marco Island, FL 34145

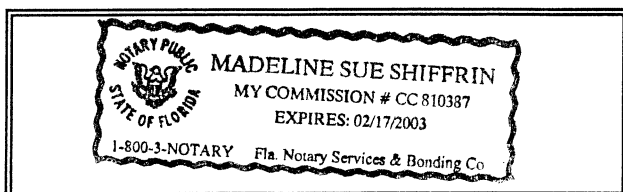
(2) Peta M. Jacobs
Witness
Print Name: PETA M. JACOBS

(CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF COLLIER

The foregoing instrument was acknowledged before me this 10th day of June, 2002 by James Paradise, President of the aforementioned Corporation, on behalf of the Corporation. He is personally known to me or has produced _____ as identification.



Print, Type, or Stamp Commissioned Name of Notary Public) (Affix Notarial Seal)

Madeline Sue Shiffrin
Signature of Notary Public

This instrument prepared by Robert C. Samouce, Esq., Samouce, Murrell & Francoeur, P.A., 800 Laurel Oak Drive, Suite 300, Naples, FL 34108.

3014845 OR: 3073 PG: 0626

RECORDED in OFFICIAL RECORDS of COLLIER COUNTY, FL
07/16/2002 at 08:11AM DWIGHT E. BROCK, CLERK
REC FEE 10.50

Retn:
SAMOUCHE MURRELL ET AL
800 LAUREL OAK DR #300
NAPLES FL 34108

AMENDMENT TO THE DECLARATION OF CONDOMINIUM
FOR MONTERREY, A CONDOMINIUM

The Declaration of Condominium for Monterrey, a Condominium, shall be amended as shown below:

Note: New language is underlined; language being deleted is shown in ~~struck through~~ type.

Section 13.2 of the Declaration of Condominium shall be amended to read as follows:

13.2 Term of Lease and Frequency of Leasing. No unit may be leased more often than two (2) ~~six (6)~~ times in any calendar year, with the minimum lease term being sixty (60) ~~thirty (30)~~ days. The first day of occupancy under the lease shall determine in which year the lease occurs. No lease may be for a period of more than one (1) year, and no option for the lessee to extend or renew the lease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same lease from year to year. No subleasing or assignment of lease rights by the lessee is allowed. Which calendar year a lease occurs in shall be determined by the first date of occupancy permitted under the lease. Any proposed leases of less than sixty (60) days submitted to the Association for approval on or before September 1, 2002, if subsequently approved by the Association, are grand fathered.



SWALM, MURRELL & SAMOUCÉ, P.A.

John M. Swalm III
Robert E. Murrell
Robert C. Samouce

January 25, 2000

Philip M. Francoeur, Jr.
of Counsel
John F. Forsyth
Retired

Derek Beebe, Manager
Monterrey Condominium Association, Inc.
980 Cape Marco Drive
Marco Island, FL 34145

**RE: Monterrey Condominium Association, Inc.
Amended and Restated Declaration of Condominium and Bylaws**

Dear Derek:

Pursuant to the approval by the membership of Monterrey Condominium Association, Inc. on June 15, 1999, enclosed please find the original Amended and Restated Declaration of Condominium for Monterrey, a Condominium, and the Bylaws for Monterrey Condominium Association, Inc., recorded January 14, 2000, at O.R. Book 2631, Pages 0608 *et seq* in Collier County. Please note that these documents replace the ones recorded on August 13, 1999 at OR Book 2581, Pages 2489 through 2533. The original documents should be kept with the other official records of the Association. The Association may wish to distribute a copy to the membership.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Kind regards,
SWALM, MURRELL & SAMOUCÉ, P.A.

Robert C. Samouce
For the Firm

RCS/tm
Enclosures

Rec'd 1/26/00

CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly and acting President of Monterrey Condominium Association, Inc., a Florida corporation not for profit, hereby certifies that at a meeting of the members held on June 15, 1999, where a quorum was present, after due notice, the resolutions set forth below were duly approved by the vote indicated for the purposes of amending and restating the Declaration of Condominium for Monterrey, a Condominium, as originally recorded in O.R. Book 2136 at Pages 0352 *et seq.*, of the Public Records of Collier County, Florida, as previously amended and the Bylaws of Monterrey Condominium Association, Inc., as previously amended.

1. The following resolution was approved and adopted by an affirmative vote of members owning Units to which not less than two-thirds (2/3rds) of the Common Elements are appurtenant.

RESOLVED: That the Declaration of Condominium for Monterrey, a Condominium, is hereby amended and restated in its entirety; and the restatement is adopted in the form attached hereto, and made a part hereof.

2. The following resolution was approved by an affirmative vote of the persons holding Voting Interests of Units to which not less than two-thirds (2/3rds) of the Common Elements are appurtenant.

RESOLVED: That the Bylaws of Monterrey Condominium Association, Inc., be and are hereby amended and restated in their entirety; and the restatement is adopted in the form attached hereto, and made a part hereof.

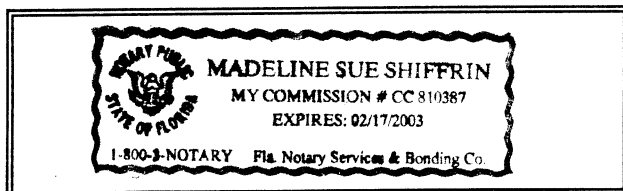
Date: DECEMBER 20, 1999

(1) Derek A. Beebe
Witness
Print Name: DEREK A. BEEBE

(2) Glenn DuBrucq
Witness
Print Name: GLENN DU BRUCQ

STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me this 20th day of December, 1999 by Herbert B. Handelsman, President of the aforementioned Corporation, on behalf of the Corporation. He is personally known to me or has produced _____ as identification.



Print, Type, or Stamp Commissioned Name of Notary Public)
(Affix Notarial Seal)

This document supersedes and replaces in its entirety the Amended and Restated Declaration of Condominium for Monterrey, a Condominium, and the Amended and Restated Bylaws of Monterrey Condominium Association, Inc., all as previously recorded on 8/13/99 at O.R. Book 2581, at Pages 2489 through 2533.

2581326 OR: 2631 PG: 0608

RECORDED in OFFICIAL RECORDS of COLLIER COUNTY, FL
01/14/2000 at 09:50AM DWIGHT E. BROCK, CLERK
REC FEE 204.00

Retn:
SWALM & MURRELL
2375 TAMiami TR N #308
NAPLES FL 34103

(for use by Clerk of Court)

MONTERREY CONDOMINIUM ASSOCIATION, INC.

By: Herbert B. Handelsman
Herbert B. Handelsman, President
980 Cape Marco Drive, #1001
Marco Island, FL 34145

(CORPORATE SEAL)

Madeline Sue Shiffrin
Signature of Notary Public

This instrument prepared by Robert C. Samouce, Esq., Swalm, Murrell & Samouce, P.A., 2375 Tamiami Trail North, Suite 308, Naples, FL 34103

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

**AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
FOR
MONTERREY, A CONDOMINIUM**

On January 5, 1996, the original Declaration of Condominium of Monterrey, a Condominium (the "Condominium") was recorded in Book 2136, at Pages 352 *et seq.*, of the Official Records of Collier County, Florida. That Declaration, as it has previously been amended, is hereby further amended in part, and is restated in its entirety as amended. Section 21 is not being amended, but is restated herein as Section 18, with appropriate changes in cross-references.

1. SUBMISSION STATEMENT. This Amended and Restated Declaration of Condominium is made by Monterrey Condominium Association, Inc., a Florida corporation not for profit (the "Association"). The land subject to this Declaration, and all improvements thereon, have already been submitted to the condominium form of ownership and use pursuant to the Florida Condominium Act. No additional property is being submitted to condominium ownership by this Declaration. The covenants and restrictions in this Declaration, as it may be amended from time to time, run with the land; and are binding upon and inure to the benefit of all present and future owners of condominium parcels. The ownership of a unit, the acquisition of any other interest in the condominium property, or the lease, occupancy, or use of any portion of a unit or the condominium property, constitute unconditional acceptance and ratification of all provisions of this Declaration as amended from time to time, and an agreement to be bound by its terms.

2. NAME AND ADDRESS. The name of this Condominium is Monterrey, a Condominium, and its street address is 980 Cape Marco Drive, Marco Island, Florida 34145.

3. DESCRIPTION OF CONDOMINIUM PROPERTY. The land submitted to the condominium form of ownership by the original Declaration (the "Land") is legally described in Exhibit "A" to the original Declaration, which is hereby incorporated by reference.

4. DEFINITIONS: Certain words and phrases are used in this Declaration and its recorded exhibits with the meanings stated below, unless the context clearly requires a different meaning.

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

4.2 "Association" means Monterrey Condominium Association, Inc., a Florida corporation not for profit, the entity responsible for the operation of this Condominium.

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

DECLARATION OF CONDOMINIUM

Page 1

4.4 **“Board of Directors”** or **“Board”** means the representative body which is responsible for the administration of the Association’s affairs, and is the same body referred to in the Condominium Act as the “Board of Administration”.

4.5 **“Condominium Documents”** means and includes this Declaration and all recorded exhibits hereto, as amended from time to time.

4.6 **“Family”** or **“Single Family”** means any one of the following:

(A) One (1) natural person; or

(B) Two (2) or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage or adoption to each of the others; or

(C) Two (2) or more natural persons meeting the requirements of (B) above, except that there is among them one (1) person who is not related to some or all of the others.

4.7 **“Fixtures”** means those items of tangible personal property which by being physically annexed or constructively affixed to the unit have become accessory to it and part and parcel of it, including but not limited to, interior partitions, walls, appliances which have been built in or permanently affixed, and plumbing fixtures in kitchens and bathrooms. Fixtures do not include floor, wall or ceiling coverings.

4.8 **“Guest”** means a person who is not the owner or a tenant of a unit, and is not a member of the owner’s or tenant’s family, who nevertheless is physically present in, or resides in the unit on a temporary basis, at the invitation of the owner or tenant, without paying valuable consideration.

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

4.10 **“Lease”** means the grant by a unit owner of a temporary right of use of the owner’s unit for valuable consideration.

4.11 **“Limited Common Elements”** are those common elements that are reserved for the use of a certain unit or units, to the exclusion of the other units.

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

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

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

4.15 “Rules and Regulations” means those rules and regulations promulgated by the Board of Directors, governing the use of the common elements and the operation of the Association.

4.16 “Voting Interest” means and refers to the arrangement established in the condominium documents by which the owners of each unit collectively are entitled to one vote in Association matters. There are one hundred thirty-six (136) units, so the total number of voting interests is one hundred thirty-six (136) votes.

5. DESCRIPTION OF IMPROVEMENTS; SURVEY AND PLANS:

5.1 Survey and Plot Plans. Attached to the original Declaration as Exhibits “B” and “C”, and incorporated by reference herein, are a survey of the Land and plot plans, which graphically describe the improvements in which units are located, and which show all the units, including their identification numbers, locations and approximate dimensions and the common elements and limited common elements. Together with this Declaration, the exhibit identifies the common elements and limited common elements, and their relative locations and dimensions.

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

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

(1) **Upper Boundaries.** The horizontal plane of the unfinished lower surface of the ceiling of the unit. Included in the unit are all paint, drywall, plasterboard, lath, furring, acoustical or other ceiling tiles and related hardware, light fixtures, vents and other materials constituting part of the interior surfaces of the ceiling.

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

(B) **Perimeter Boundaries.** The perimeter boundaries of the unit shall be the vertical planes of the unfinished walls bounding the unit, as shown in Exhibit “C” hereto, extended to their intersections with each other and with the upper and lower boundaries. Included within the unit are all lath, plasterboard, wallboard, drywall, paneling, tile, wallpaper, paint, molding and other materials constituting part of the interior surfaces of those walls.

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

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

(E) If any chute, flue, vent, duct, wire, pipe, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the boundaries of a unit, any portion thereof serving that unit

exclusively is a limited common element, and any portion thereof serving more than one unit, or any portion of the common elements, is a part of the common elements.

(F) Subject to paragraph (B), all spaces, interior partition walls, and other fixtures and improvements within the boundaries of a unit are a part of the unit.

(G) Any shutter, awnings, planter boxes, doorsteps, stairways, porches, lanais and all exterior doors, windows and screens or other fixtures designed to serve a single unit, but located outside the unit's boundaries, are limited common elements allocated exclusively to the unit(s) they serve.

In cases not specifically covered in this Section 5.2, or in any case of conflict or ambiguity, the graphic depictions of the unit boundaries set forth in Exhibit "C" hereto shall control in determining the boundaries of a unit, except the provisions of 5.2(D) above shall control over Exhibit "C". Nothing herein shall be construed as purporting to change the boundaries of the units as provided in the original Declaration.

6. CONDOMINIUM PARCELS; APPURTENANCES AND USE:

6.1 Shares of Ownership. The Condominium contains one hundred thirty-six (136) units. The owner of each unit also owns a one hundred thirty-sixth (1/136th) undivided share in the common elements and the common surplus.

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

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

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

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

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

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

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

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

7. COMMON ELEMENTS; EASEMENTS:

7.1 Definition. The term “common elements” means all of the property submitted to condominium ownership that is not within the unit boundaries set forth in Section 5 above. The common elements include without limitation the following:

- (A) The Land.
- (B) All portions of the buildings and other improvements outside the units, including all limited common elements.
- (C) Easements through each unit for conduits, ducts, plumbing, wiring, and other facilities for furnishing utility services to other units or the common elements.
- (D) An easement of support in every portion of the Condominium which contributes to the support of a building.
- (E) The property and installations required for access for furnishing utilities and other services to more than one unit or to the common elements.

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

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

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

(C) Ingress and Egress. A non-exclusive easement shall exist in favor of each unit owner and occupant, their respective guests, tenants, licensees and invitees for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, and other portions of the common elements as from time to time may be intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through, and across such portions of the common elements as from time to time may be paved or intended for such purposes, and for purposes of ingress and egress to the public ways.

(D) Maintenance, Repair and Replacement. A non-exclusive easement shall exist in favor of the Association and its employees, agents and hired contractors through the units and common elements for maintenance, repairs and replacements.

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

8. LIMITED COMMON ELEMENTS:

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

(A) Parking Spaces. There have been designated, on the attached survey and plot plan, certain parking spaces as limited common elements. The Developer has assigned many of these spaces to the exclusive use of units. The Association has the right to assign additional limited common element spaces that were not assigned by the Developer to the exclusive use of units. Each unit shall always have the exclusive use of one of the assigned parking spaces.

(B) Stairs. Any stairways, stairwells and railings which are attached to and which exclusively serve particular units are limited common elements for the exclusive use of the units which they serve.

(C) Air Conditioning and Heating Equipment. All equipment, fixtures and installations located outside of a unit, which furnish air conditioning or heating exclusively to that unit, are limited common elements.

(D) Terraces, Loggias, Balconies and Sun Decks. Any exterior private terrace, entry terrace, loggia, balcony or sun deck attached to and serving exclusively a unit is a limited common element. No exterior private terrace, entry terrace, loggia, balcony or sun deck may be carpeted, covered or enclosed in any way without the prior written approval of the Board of Directors. No carpeting of any kind or description may be installed over concrete floors exposed to the elements.

(E) Others. Any part of the common elements that is connected to or exclusively serves a single unit, and is specifically required in Section 11 of this Declaration to be maintained, repaired or replaced by or at the expense of the unit owner, shall be deemed a limited common element appurtenant to that unit, whether specifically described above or not.

8.2 Exclusive Use; Transfer of Use Rights. The exclusive right to use a limited common element is an appurtenance to the unit or units to which it is designated or assigned. If, after all of the units have been sold, the exclusive use of any assignable limited common element was not, for any reason, assigned to the use of a specific unit or units by the Developer, the Association may do so. The right of exclusive use of each limited common element passes with the unit to which it is assigned, whether or not separately described, and cannot be separated from it; except that the use rights to particular parking places, other than the first space assigned to each unit by the Developer, may be exchanged between units, or transferred to another unit, as follows:

(A) The unit owners desiring to exchange such use rights shall submit a written request to the Board of Directors. If the Board approves the exchange, the owners involved shall then execute a Certificate of Transfer which shall include the recording data identifying this Declaration, and be executed by the Association and the owners with the formalities required for the execution of a deed.

(B) The transfer of use rights shall be complete and effective when the Certificate is recorded in the Public Records of Collier County, Florida. The costs of preparing and recording the Certificate shall be borne by the unit owners desiring the exchange or transfer.

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

9.1 Articles of Incorporation. A copy of the Amended and Restated Articles of Incorporation of the Association is attached as Exhibit "E".

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

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

9.4 Membership. The members of the Association are the record owners of legal title to the units, as further provided in the Bylaws.

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

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

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

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

9.9 Acquisition of Property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as provided in Section 9.8 above, the power to acquire ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the voting interests.

9.10 Disposition of Property. Any property owned by the Association, whether real, personal or mixed, may be mortgaged, sold, leased or otherwise encumbered or disposed of by the same authority as would be required to acquire it under Sections 9.8 and 9.9 above. However, the power to lease association property and common elements shall be exercised solely by the Board of Directors.

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

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

10. ASSESSMENTS AND LIENS: The Association has the power to levy and collect assessments against each unit and unit owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Association. This power includes both "regular" assessments for each unit's share of the common expenses as set forth in the annual budget, and "special" assessments for unusual, nonrecurring or unbudgeted common expenses. The Association may also levy special charges against any individual unit for any amounts, other than for common expenses, which are properly chargeable against such unit under this Declaration or the Bylaws. Assessments shall be levied and payment enforced as provided in Section 6 of the Bylaws, and as follows:

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

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

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

10.4 Who is Liable for Assessments. The owner of each unit, regardless of how title was acquired, is liable for all assessments or installments thereon coming due while he is the owner. Multiple owners are jointly and

severally liable. Except as provided in Section 20.3 below as to certain first mortgagees, whenever title to a condominium parcel is transferred for any reason, the new owner becomes jointly and severally liable with the previous owner for all assessments which came due prior to the transfer and remain unpaid, without prejudice to any right the new owner may have to recover from the previous owner any amounts paid by the new owner.

10.5 No Waiver or Excuse from Payment. The liability for assessments may not be avoided or abated by waiver of the use or enjoyment of any common elements, by abandonment of the unit on which the assessments are made, or by interruption in the availability of the unit or the common elements for any reason whatsoever. No unit owner may be excused from payment of his share of the common expenses unless all unit owners are likewise proportionately excused from payment, except as otherwise provided in Section 20.3 below as to certain first mortgagees, and as in Section 10.12 as to the Developer.

10.6 Application of Payments; Failure to Pay; Interest. Assessments and installments thereon paid on or before ten (10) days after the date due shall not bear interest, but all sums not so paid shall bear interest at the highest rate allowed by law, calculated from the date due until paid. The Association may also impose a late payment fee (in addition to interest) to the extent permitted by law. Assessments and installments thereon shall become due, and the unit owner shall become liable for said assessments or installments, on the date established in the Bylaws or otherwise set by the Board of Directors for payment. All payments on account shall be applied first to interest, then to late payment fees, court costs and attorney's fees, and finally to delinquent assessments. No payment by check is deemed received until the check has cleared.

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

10.8 Liens. The Association has a lien on each condominium parcel securing payment of past due assessments, including interest and attorney's fees and costs incurred by the Association incident to the collection of the assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit. The lien is perfected upon recording a Claim of Lien in the Public Records of Collier County, Florida, stating the description of the condominium parcel, the name of the record owner, the assessments past due and the due dates. The lien is in effect until barred by law. The Claim of Lien secures all unpaid assessments coming due prior to a final judgment of foreclosure. Upon full payment, the person making the payment is entitled to a satisfaction of the lien.

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

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

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

11. MAINTENANCE; LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS:

Responsibility for the protection, maintenance, repair and replacement of the condominium property, and restrictions on its alteration and improvement shall be as follows:

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

- (A) Electrical wiring up to the circuit breaker panel in each unit.
- (B) Water pipes, up to the individual unit cut-off valve.
- (C) Cable television lines up to the wall outlet.
- (D) Main air conditioning condensation drain lines, up to the point where the individual unit drain line cuts off.
- (E) Main sewer lines, up to the point where the individual unit sewer lines connect.
- (F) All installations, fixtures and equipment located within one unit but serving another unit, or located outside the unit, for the furnishing of utilities to more than one unit or the common elements.
- (G) The exterior surface of the main entrance doors to the units.
- (H) All exterior building walls, including painting, waterproofing, and caulking.
- (I) Any stairways, stairwells, or railings.
- (J) Balcony, terrace, loggia or sun deck railings.
- (K) All parking spaces; covered or uncovered.

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

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

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- (A) Maintenance, repair and replacement of screens, windows and window glass.
- (B) The main entrance door to the unit and its interior surfaces.
- (C) All other doors within or affording access to the unit.
- (D) The electrical, mechanical and plumbing lines, pipes, fixtures, switches, valves, drains and outlets (including connections) located partially or entirely within the unit or serving only the unit.
- (E) The circuit breaker panel and all electrical wiring going into the unit from the panel.
- (F) Appliances, water heaters, smoke alarms and vent fans.
- (G) All air conditioning, and heating equipment, thermostats, ducts and installations serving the unit exclusively except as otherwise provided in Section 11.4 below.
- (H) Carpeting and other floor coverings.
- (I) Door and window frameworks, hardware and locks.
- (J) Shower pans.
- (K) The main water supply shut-off valve for the unit.
- (L) Other facilities or fixtures which are located or contained entirely within the unit and serve only the unit.
- (M) All interior, partition walls which do not form part of the boundary of the unit.
- (N) The storage locker and its interior surfaces.
- (O) All drywall, lath, plasterboard, furring and similar materials in the perimeter walls and ceilings of the unit.

11.3 Other Unit Owner Responsibilities:

(A) Balconies, Terraces, Loggias and Sun Decks. Where a limited common element consists of an exterior private terrace, entry terrace, loggia, balcony or sun deck, the unit owner who has the right of exclusive use of the area shall be responsible for the day-to-day cleaning and care of the walls, floor and ceiling bounding said area, if any; and all fixed glass and sliding glass doors in portions of the entrance way to said area, if any; and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the painting, maintenance, repair and replacement of all exterior walls of the building and the concrete slabs.

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

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

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

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

(E) Modifications and Alterations. If a unit owner makes any modifications, installations or additions to his unit or the common elements, the unit owner, and his successors in title, shall be financially responsible for:

- (1) Insurance, maintenance, repair and replacement of the modifications, installations or additions;
- (2) The costs of repairing any damage to the common elements or other units resulting from the existence of such modifications, installations or additions; and
- (3) The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the condominium property for which the Association is responsible.
- (4) Damage to the modifications, installations or additions caused by work being done by the Association.

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

11.4 Appliance Maintenance Contracts. If there shall become available to the Association a program of contract maintenance for kitchen appliances, or water heaters within units, and/or air-conditioning compressors and/or air handlers serving individual units, which the Association determines is to the benefit of the owners to consider, then upon agreement by a majority of the voting interests present, in person or by proxy and voting, at a meeting called for the purpose, or upon agreement by a majority of the total voting interest in writing, the Association may enter into such contractual undertakings. The expenses of such contractual undertakings to the Association shall be common expenses. All maintenance, repairs and replacements not covered by the contracts shall be the responsibility of the unit owner.

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

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

11.6 Alterations and Additions to Common Elements and Association Property. The protection, maintenance, repair, insurance and replacement of the common elements and association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the common elements or the real property owned by the Association costing more than 10% of the gross annual budget (including reserves) in the aggregate in any calendar year without prior approval of at least two-thirds (2/3rds) of the voting interests who are present and voting, in person or by proxy, at an annual or special meeting called for the purpose. Therefore, up to 10% of the gross annual budget (including reserves) in the aggregate worth of material alterations or substantial additions may be made in any calendar year by the Association with Board approval. If work reasonably necessary to protect, maintain, repair, replace or insure the common elements or association property also constitutes a material alteration or substantial addition to the common elements, no prior unit owner approval is required.

11.7 Enforcement of Owner's Maintenance Responsibilities. The owner of a unit has a legal duty to maintain, repair and replace, at his own expense, his unit and the limited common elements serving his unit, except for those limited common elements required to be maintained by the Association, as provided in this Section 11. Each unit owner also has a duty to maintain his unit, any limited common element whose exclusive use is appurtenant to the unit, and the personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other units, the common elements, the personal property of other owner or occupants. If any condition, defect or malfunction, resulting from the owner's failure to perform these duties causes damage to other units, the common elements, association property or property within other units, the owner of the offending unit shall be liable to the person or entity responsible for repairing the damaged property for all costs of repair or replacement not paid by insurance, as well as reasonable attorneys fees and other expenses of collection, if any. The owner of each unit is also liable for the expenses of any maintenance, repair or replacement of common elements, other units, or personal property made necessary by his negligent act or failure to act or by that of any member of his family or his guests, employees, agents, or tenants. If any owner fails to maintain the unit or its appurtenant limited common elements as required above, the Association may institute legal proceedings to enforce compliance, or may take any and all other lawful actions to remedy the violation.

11.8 Association's Access to Units; Damage Caused by Condition in Unit. The Association has the irrevocable right of access to the units during reasonable hours, when necessary for the maintenance, repair, or replacement of the common elements, as well as any portion of the unit to be maintained by the Association pursuant to the Declaration. The Association also has the right to enter units as necessary to prevent, mitigate or repair damage to the common elements or to other units. If any condition, defect or malfunction is discovered to be causing or threatening to cause such damage, and one or more units involved (or potentially involved) is not occupied, the Association may enter the unoccupied unit with or without prior notice to or consent of the tenant or the owner, and take reasonable action sufficient to correct the problem, mitigate damage or prevent its further spread. The costs of such action shall be chargeable to the owner of the unit entered, unless the work done ordinarily was the responsibility of the Association. The Association may, but is not obligated to, repair the damage to property inside the unit, with the prior consent of the unit owner. The Association's right of access also includes, without limitation, entry for purposes of pest control and preventive maintenance of safety equipment such as smoke alarms, as well as the right, but not the duty, to enter under circumstances where the health or safety of resident may be endangered. The exercise of the Association's rights of access to the unit shall be accomplished with due respect for the rights of occupants to privacy and freedom from unreasonable

annoyance, as well as with appropriate precautions to protect the personal property within the unit. The Association may retain a pass-key to all units. If it does, no unit owner shall alter any lock, nor install a new lock, which prevents access when the unit is unoccupied. If the Association is not given a key, the unit owner shall pay all costs incurred by the Association in gaining entrance to the unit, as well as all damage to his unit caused by gaining entrance thereto, and all damage resulting from delay in gaining entrance to his unit caused by the unavailability of a key.

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

11.10 Hurricane Shutters. Notwithstanding any provision to the contrary above, the Board of Directors shall adopt as required by law a model, style and color of hurricane shutter as a standard for use in the Condominium. No hurricane or storm shutters except the standard model, color and style adopted by the Board of Directors shall be installed upon the Condominium.

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

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

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

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

(B) House guests not included within 12.2(A) are permitted for only one (1) family occupancy in the unit owner's absence and then only with the proviso that the family and its guests consist of no more than four (4) persons. Such guests may stay no more than thirty (30) days and the total number of occasions for this type of guest occupancy in any unit shall be limited to three (3) in each calendar year.

(C) An owner desiring guest occupancy under (A) or (B) above shall give notice to the Association as provided in the rules and regulations.

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12.3 Exceptions. Upon prior written application by the unit owner, the Board of Directors may make such limited exceptions to the foregoing restrictions as may be deemed appropriate in the discretion of the Board, for the sole purpose of avoiding undue hardship or inequity. The making of one exception shall not be construed as a precedent for later exceptions.

12.4 Occupancy When Owner is Present. There is no restriction on the number of guests, whether related or unrelated to the owner, who may occupy the unit together with the unit owner.

12.5 Minors. All occupants under eighteen (18) years of age shall be closely supervised at all times by an adult to insure that they do not become a source of unreasonable annoyance to other residents.

12.6 Pets. The owner of each unit may keep no more than two (2) small pets of a normal domesticated household type (such as cats or dogs) in the unit. Dogs may not exceed seventeen (17) inches in height measured at the shoulder, nor twenty-five (25) pound in weight at maturity. Pets must be carried under the owner's arm or be leashed at all times while on the condominium property outside of the unit. The ability to keep such pets is a privilege, not a right, and the Board of Directors is empowered to order and enforce the removal of any pet which becomes a source of unreasonable annoyance to other residents of the Condominium. No pets of any kind are permitted in leased units. No reptiles, monkeys, rodents, amphibians, poultry, swine or livestock may be kept in the Condominium.

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

12.8 Signs. No person may post or display "For Sale", "For Rent", "Open House" or other similar signs anywhere within the Condominium or on the condominium property, including those posted in windows of buildings or motor vehicles.

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

13. LEASING OF UNITS: In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of units by their owners shall be restricted as provided in this section. All leases of units must be in writing. A unit owner may lease only his entire unit, and then only in accordance with this Section, after receiving the approval of the Association. The lessee must be a natural person.

13.1 Procedures.

(A) **Notice by the Unit Owner.** An owner intending to lease his unit shall give to the Board of Directors or its designee written notice of such intention at least twenty (20) days prior to the first day of occupancy under the lease together with the name and address of the proposed lessee, a fully executed copy of the proposed lease, and such other information as the Board may reasonably require. The Board may require a personal interview with any lessee and his spouse, if any, as a pre-condition to approval.

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(B) Board Action. After the required notice and all information or interviews requested have been provided, the Board shall have twenty (20) days in which to approve or disapprove the proposed lease. If the Board neither approves nor disapproves within that time, its failure to act shall be deemed the equivalent of approval, and on demand the Board shall issue a written letter of approval to the lessee.

(C) Disapproval. A proposed lease shall be disapproved only if a majority of the whole Board so votes, and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:

- (1) The unit owner is delinquent in the payment of assessments at the time the application is considered;
- (2) The unit owner has a history of leasing his unit without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his unit;
- (3) The real estate company or rental agent handling the leasing transaction on behalf of the unit owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior Association approval;
- (4) The application on its face indicates that the person seeking approval intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
- (5) The prospective lessee has been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
- (6) The prospective lessee has a history of conduct which evidences disregard for the rights and property of others;
- (7) The prospective lessee evidences a strong probability of financial irresponsibility;
- (8) The lessee, during previous occupancy in this Condominium or another, has evidenced an attitude of disregard for the Association rules;
- (9) The prospective lessee gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid; or
- (10) The unit owner fails to give proper notice of his intention to lease his unit to the Board of Directors.

(D) Failure to Give Notice or Obtain Approval. If proper notice is not given, the Board at its election may approve or disapprove the lease. Any lease entered into without approval may, at the option of the Board, be treated as a nullity, and the Board shall have the power to evict the lessee with five (5) days notice, without securing consent to such eviction from the unit owner.

(E) Applications; Assessments. Applications for authority to lease shall be made to the Board of Directors on such forms and include such terms as the Board may provide from time to time. The legal responsibility for paying condominium assessments may not be delegated to the lessee.

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(F) Committee Approval. To facilitate approval of leases proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to an *ad hoc* committee, which shall consist of at least three (3) members.

13.2 Term of Lease and Frequency of Leasing. No unit may be leased more often than six (6) times in any calendar year, with the minimum lease term being thirty (30) days. The first day of occupancy under the lease shall determine in which year the lease occurs. No lease may be for a period of more than one (1) year, and no option for the lessee to extend or renew the lease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same lease from year to year. No subleasing or assignment of lease rights by the lessee is allowed. Which calendar year a lease occurs in shall be determined by the first date of occupancy permitted under the lease.

13.3 Exceptions. Upon written request of a unit owner, the Board of Directors may approve one additional lease of the unit within the same calendar year, but only under unusual circumstances to avoid undue hardship and inequity.

13.4 Occupancy During Lease Term. No one but the lessee, his family members within the first degree of relationship by blood, adoption or marriage, and their spouses and guests may occupy the unit. The total number of occupants of a leased unit is limited to two (2) persons per bedroom.

13.5 Occupancy in Absence of Lessee. If a lessee absents himself from the unit for any period of time during the lease term, his family within the first degree of relationship already in residence who were listed on the lease application may continue to occupy the unit as long as at least occupant is an adult and may have house guests subject to all the restrictions in Sections 13 and 13.4 above. In addition, the following restrictions shall apply:

(A) Any one (1) person who is the parent, adult child, adult grandchild, brother or sister of the lessee or of the lessee's spouse, if any, may occupy the unit in the absence of the lessee for a period not to exceed fifteen (15) days. That person's spouse and children, if any, may accompany him. The total number of occasions for occupancy by all guests combined under this paragraph shall be limited to four (4) in any one (1) calendar year, with a maximum aggregate total of sixty (60) days.

(B) House guests not included within 13.5 (A) are permitted for only one (1) family occupancy in the lessee's absence and then only with the proviso that the family and its guests consist of no more than four (4) persons. Such guests may stay only two (2) weeks and the total number of occasions for this type of guest occupancy in any unit shall be limited to two (2) in each calendar year.

Any lessee who wishes to permit his unit to be occupied in his absence shall provide to the Board of Directors, on such forms as may be provided by it from time to time, the name and address of each guest, the relationship of each guest to the lessee, the planned dates of arrival and departure of the guests and such other information concerning the guests as the Board may reasonably require. If the lessee and all of his family members within the first degree of relationship who were listed on the lease application are absent, no other person may occupy the unit.

13.6 Use of Common Elements and Association Property. To prevent overtaxing the facilities, a unit owner whose unit is leased may not use the recreation or parking facilities during the lease term, except as the guest of another unit owner.

13.7 Regulation by Association. All of the provisions of the condominium documents and the rules and regulations of the Association shall be applicable and enforceable against any person occupying a unit as a lessee or guest to the same extent as against the owner. A covenant on the part of each occupant to abide by the rules

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and regulations of the Association and the provisions of the condominium documents, designating the Association as the owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written, and whether specifically expressed in such agreement or not.

13.8 Fees and Deposits Related to the Lease of Units. Whenever herein the Board's approval is required to allow the lease of a unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law. No fee may be charged for approval of a renewal or extension of a lease with the same lessee. The Association may also require any deposits that are authorized by the Condominium Act as amended from time to time.

14. OWNERSHIP OF UNITS: In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of ownership of a unit shall be subject to the following provisions:

14.1 Forms of Ownership:

(A) One Person. A unit may be owned by one natural person who has qualified and been approved as elsewhere provided herein.

(B) Two or More Persons. Co-ownership of units by two or more natural persons is permitted. However, the intent of this provision is to allow flexibility in estate, tax or financial planning, and not to create circumstances where the unit may be used as short-term transient accommodations for multiple families. If the co-owners are other than husband and wife, the Board shall condition its approval upon the designation of one approved natural person as "primary occupant". The use of the unit by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any twelve (12) month period.

(C) Ownership by Corporations, Partnerships or Trusts. A unit may be owned in trust, or by a corporation, partnership or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the unit may be used as short-term transient accommodations for several individuals or families. The approval of a trustee, or corporation, partnership or other entity as a unit owner shall be conditioned upon designation by the owner of one natural person to be the "primary occupant." The use of the unit by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any twelve (12) month period.

(D) Designation of Primary Occupant. Within thirty (30) days after the effective date of this provision, each owner of a unit which is owned in the forms of ownership stated in preceding subsections 14.1(B) and (C) shall designate a primary occupant in writing to the Association. If any unit owner fails to do so, the Board of Directors may make the initial designation for the owner, and shall notify the owner in writing of its action. If the ownership of a unit is such that the designation of a primary occupant is not required, the unit owner may, nevertheless, choose to designate one, subject to Board approval.

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

14.2 Transfers.

(A) Sale or Gift. No unit owner may dispose of a unit or of any ownership interest in a unit by sale or gift (including agreement for deed) without prior written approval of the Board of Directors.

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

(C) Other Transfers. If any person acquires title in any manner not covered in the foregoing subsections, that person shall have no right to occupy or use the unit before being approved by the Board of Directors under the procedures outlined in Section 14.3 below.

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

14.3 Procedures.

(A) Notice to Association.

(1) Sale or Gift. An owner intending to make a sale or gift of his unit or any interest therein shall give to the Board of Directors or its designee written notice of such intention at least sixty (60) days before the intended closing date, together with the name and address of the proposed purchaser or donee, a copy of the executed sales contract, if any, and all other information the Board may reasonably require. The Board may require a personal interview with any purchaser or donee and his spouse, if any, as a pre-condition to approval.

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

(3) Demand. With the notice required in Subsection (A)(1) above, the owner or transferee seeking approval may make a written demand that if the transfer is disapproved without good cause, the Association shall furnish an approved alternate purchaser who shall purchase the unit at the same

price and upon substantially the same terms as in the disapproved sales contract, or if no contract is involved, for the fair market value of the unit determined as provided below.

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

(B) Board Action. Within thirty (30) days after receipt of the required notice and all information or interviews requested, or not later than sixty (60) days after the notice required by paragraph (A) above is received, whichever occurs first, the Board shall approve or disapprove the transfer. If a transfer is approved, the approval shall be stated in a Certificate of Approval executed by the President or Vice-President of the Association in recordable form and delivered to the transferee. If the Board neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval and on demand the Board shall issue a Certificate of Approval to the transferee.

(C) Disapproval.

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

- (a) The person seeking approval has been convicted of a felony involving violence to persons or property, a felony involving possession or sale of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
- (b) The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;
- (c) The person seeking approval gives the Board reasonable cause to believe that person intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
- (d) The person seeking approval has a history of disruptive behavior;
- (e) The person seeking approval has evidenced an attitude of disregard for association rules or the rights or property of others, by his past conduct;
- (f) The transfer to the person seeking approval would result in that person owning legal or beneficial title to more than two (2) units in the Condominium;
- (g) The person seeking approval has failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process; or
- (h) The transaction, if a sale or gift, was concluded by the parties without having both sought and obtained the prior approval required herein.

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

(3) If the Board fails to deliver the name of the approved purchaser within thirty (30) days as required above, the original proposed purchaser shall be deemed approved, despite the Board's former disapproval, and upon demand a Certificate of Approval shall be issued.

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

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

14.6 Fees and Deposits Related to the Sale of Units. Whenever herein the Board's approval is required to allow the sale or other transfer of an interest in a unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law.

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

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

15.2 Association Insurance; Duty and Authority to Obtain. The Board of Directors shall obtain and keep in force the insurance coverage which it is required to carry by law and under the condominium documents, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the

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insured shall be the Association and the unit owners without naming them, and their mortgagees, as their interests shall appear. To the extent permitted by law, the Association may self-insure.

15.3 Required Coverage. The Association shall maintain adequate insurance covering the buildings and other improvements on the condominium property that the Association is required to insure, as well as all association property, in such amounts, and with such deductibles, as is determined annually by the Board of Directors in the exercise of its good business judgment, such insurance to afford at least the following protection:

(A) Property. Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "All Risk" property contract.

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

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

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

(E) Workers' Compensation. The Association shall maintain Workers' Compensation insurance if required by law.

(F) Statutory Fidelity Bonding or Insurance. For all persons who control or disburse funds of the Association.

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

(A) Workers' Compensation insurance.

(B) Boiler and Machinery coverage (includes breakdown on air conditioning units).

(C) Broad Form Comprehensive General Liability Endorsement.

(D) Elevator Liability & Elevator Collision.

(E) Directors and Officers Liability.

(F) Medical Payments.

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

(H) Endorsement for loss by operation of local ordinance.

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

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

15.7 Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the unit owners and their mortgagees as their interests may appear, and all proceeds from policies purchased by the Association shall be payable only to the Association. The duty of the Association shall be to receive such proceeds as are paid, and to hold the same in trust, and disburse them for the purposes stated herein and for the benefit of the unit owners and their respective mortgagees in the following shares:

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

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

(C) Mortgagee. If a mortgagee endorsement has been issued as to a unit, the shares of the mortgagee and the unit owner shall be as their interests appear. No mortgagee shall have the right to require application of insurance proceeds to any mortgage it may hold against a unit, unless insurance proceeds on account of damage to that unit are not used for repairs, or the proceeds exceed the actual cost of repairs or reconstruction. Except as otherwise expressly provided, no mortgagee shall have the right to participate in determining whether improvements will be repaired or reconstructed after casualty.

(D) Deductibles. The policies may provide for reasonable deductibles. In the case of property insurance, the deductible shall be paid by the party who would be liable for the loss or responsible for repairs in the absence of insurance. If multiple parties would be responsible, the deductible shall be allocated among them in proportion to the amount each party's loss bears to the total.

15.8 Distribution of Proceeds. Insurance proceeds from Association policies shall be distributed to or for the benefit of the unit owners in the following manner:

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

(B) Cost of Repair or Reconstruction. If the damage for which the proceeds are paid is to be repaired or reconstructed the remaining proceeds shall be paid to defray the costs as provided in Sections 15.7 (A) and (B). Any proceeds remaining after repairs and reconstruction shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being paid jointly to them.

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

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15.9 Association as Agent. The Association is hereby irrevocably appointed as agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association for damage or loss to the condominium property.

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

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

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

(A) The Board of Directors shall promptly obtain reliable and detailed estimates of the cost of repair and restoration, and shall negotiate and contract for repair and reconstruction.

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

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

(A) The Board of Directors and the officers, or any of them, are authorized, regardless of any other provision of this Declaration, to take such action as may reasonably appear to be necessary under emergency conditions, as further provided in Section 4.16 of the Bylaws. This authority includes actions to protect life and property, to evacuate or shore-up structures and salvage property, to engage security to protect against looting or other criminal acts, and to alter the condominium property or association property as might be reasonable under the circumstances to protect the condominium property or association property from further damage or deterioration. This authority includes the authority to expend any and all available association funds, including reserves.

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

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

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(1) If the insurance proceeds, reserves and other association funds available for the restoration and repairs that are the Association's responsibility are sufficient to cover the estimated cost thereof so that it is reasonably anticipated that the repairs and reconstruction can be accomplished without levying a special assessment that exceeds fifteen percent (15%) of the total annual budget for the condominium in the year in which the casualty occurred, the Condominium shall be repaired and reconstructed unless at least two-thirds (2/3rds) of the total voting interests of the Condominium vote for termination, in which case the Condominium shall be terminated.

(2) If upon the advice of legal counsel and engineers, it appears unlikely that the then applicable zoning or other regulatory laws will allow reconstruction of the same number and general types of units; or if the insurance proceeds, reserves and other association funds available for restoration and repair are not sufficient to cover the estimated cost thereof, and it is reasonably anticipated that the repairs and reconstruction can be accomplished only by levying special assessments exceeding fifteen percent (15%) of the total annual budget for the Condominium in the year in which the casualty occurred, the Condominium shall be terminated, and the property removed from the provisions of the Condominium Act, unless at least two-thirds (2/3rds) of the total voting interests of the Condominium vote against termination. If the requisite number of unit owners vote against termination, the Board of Directors shall levy such assessments as are necessary, and shall proceed with the necessary repairs and restoration. The proceeds from the special assessments shall be added to the funds available for repair and reconstruction.

(D) If any dispute shall arise as to whether "very substantial" damage has occurred, or as to the amount of special assessments required, a determination by at least a majority of the Directors shall be conclusive, and shall be binding upon all persons.

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

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

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

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17. CONDEMNATION:

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

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

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

17.4 Association as Agent. The Association is hereby irrevocably appointed as each unit owner's attorney-in-fact for purposes of negotiating or litigating with a condemning authority for the purpose of realizing just compensation.

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

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

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

(C) Adjustment of Shares in Common Elements. If the floor area of a unit is materially reduced, the number representing the share in the common elements appurtenant to the unit shall be reduced in the same proportion as the floor area of the unit is reduced, and the shares of all unit owners in the common elements shall be proportionately restated by an amendment of the Declaration adopted under Section 718.110(5), Florida Statutes.

17.6 Unit Made Not Habitable. If the condemnation is of an entire unit or reduces the size of a unit so that it cannot be made habitable, the award for the taking of the unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

(A) Payment of Award. The award shall be paid to the owner of the unit and to each mortgagee of the unit as their interests may appear, the remittance being made payable jointly to the owner and mortgagee(s).

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

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

(D) Assessments. If the award to the Association for damage to the common elements resulting from a taking is not sufficient to pay the cost of converting the remaining portions of the unit for use as a part of the common elements, the additional funds required for those purposes shall be raised by special assessment against all unit owners who will continue as owners of units after the changes in the Condominium affected by the taking. The assessments shall be made in proportion to the shares of those owners in the common elements after the changes affected by the taking.

17.7 Taking of Common Elements. Awards for the taking of common elements only shall be used to make the remaining portion of the common elements usable in a manner approved by the Board of Directors. The balance of such awards, if any, shall become part of the common surplus.

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

18. TERMINATION: The Condominium may be terminated in the following manner in addition to the manner provided by the Condominium Act:

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

18.2 Agreement. The Condominium may be terminated at any time by the approval in writing of all of the owners of Units in the Condominium, and by all record owners of mortgages upon Units therein owned by Institutional Lenders and other mortgagees approved by the Association. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of the owners of Units to which not less than seventy-five percent (75%) of the Common Elements are appurtenant, and of the record owners of all mortgages upon Units in the Condominium owned by Institutional Lenders and other mortgagees approved by the Association, are obtained not later than thirty (30) days after the date of such meeting, then the approving owners shall have an option to buy all of the Units of the other owners for the period ending on the sixtieth (60th) day from the date of such meeting. Such option shall be upon the following terms:

(A) Exercise of Option. The option shall be exercised by delivery or mailing by certified mail to each of the record owners of the Units to be purchased of an agreement to purchase signed by the record owners of Units who will participate in the purchase. Such agreement shall indicate which Units will be purchased

by each participating owner and shall agree to purchase all of the Units owned by owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

(B) Price. The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

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

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

18.3 Certificate of Termination. The termination of the Condominium by either of the foregoing methods shall be evidenced by a certificate of the Association, executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of Collier County, Florida.

18.4 Shares of Owners After Termination. After termination of the Condominium the Unit owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of Unit owners. Such undivided shares of the Unit owners shall be the same as the undivided shares in the Common Elements appurtenant to the owners' Units prior to the termination as set forth in Exhibit "D" hereto.

18.5 Section. This Section 18 shall not be amended without consent of all Unit owners and of all owners of mortgages required to approve termination by agreement.

19. RIGHTS AND REMEDIES:

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

(A) The Association;

(B) A unit owner;

(C) Anyone who occupies or is a tenant or guest in a unit; or

(D) Any member of the Board of Directors who willfully and knowingly fails to comply with these provisions.

19.2 Waiver of Rights. The failure of the Association or any member to enforce a right, provision, covenant or condition which may be granted by the condominium documents shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future. A provision of

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the Condominium Act may not be waived by a unit owner if the waiver would adversely affect the rights of the owner or defeat the purpose of the provision, except that unit owners or Directors may waive notice of specific meetings as provided in the Bylaws. Any written instrument or instruction given by a purchaser or unit owner to an escrow agent may be relied upon by the escrow agent, whether or not such instruction and the payment of funds thereunder might otherwise constitute a waiver of any provision of the Condominium Act or the condominium documents.

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

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

20. RIGHTS OF MORTGAGEES:

20.1 Approvals. Written consent of the institutional mortgagee of a unit shall be required for any amendment to the Declaration which would decrease the unit's share of ownership of the common elements, except as otherwise provided in Sections 17.5(C), 17.6(C) and 17.8.

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

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

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

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

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

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

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

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

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

The failure of the Association to provide such notice shall not be grounds for liability.

21. CAPE MARCO PROPERTY OWNERS ASSOCIATION, INC.: The Association is one of several members of Cape Marco Property Owners Association, Inc. ("Master Association"), a Florida not-for-profit Corporation. In addition to the Association, other members of the Master Association are such other condominium or neighborhood associations, property owners, or such other persons or entities having an ownership or managerial interest in such other real property which is described in the Declaration of Restrictive Covenants and Easements for Cape Marco (the "Master Declaration") and subjected to the Master Declaration in accordance with its terms. Individual unit owners of MONTERREY, A CONDOMINIUM, shall not have any proprietary or other rights in the Master Association, except to the extent that the Association of which individual Unit owners are members, receives benefits from the Master Association. The Master Association will make assessments against its members, and those members, including the Association, shall be obligated to pay those assessments. Individual unit owners in MONTERREY, A CONDOMINIUM, shall be obligated to share in the expense of assessments due to the Master Association by the Association, and such expenses shall be deemed a Common Expense for owners of Units in MONTERREY, A CONDOMINIUM. The Association, acting through its Board of Directors, shall exercise whatever voting powers accrue to the Association by virtue of membership in the Association. Title to the units created hereunder shall be taken subject to that certain Declaration of Restrictive Covenants and Easements encumbering the Condominium Property and other real property, recorded at Official Record Book 1708, Page 590, Public Records of Collier County, Florida, and any amendments thereto. Said Declaration of Covenants, among other things, imposes a burden and obligation upon the Condominium Property and other properties, for the maintenance and support of the Master Association.

22. AMENDMENT OF DECLARATION: Except as otherwise provided above as to amendments made by the Developer, all amendments to this Declaration shall be proposed and adopted in the following manner:

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

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

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22.3 Vote Required. Except as otherwise provided by law, or by specific provision of the condominium documents, this Declaration shall be amended if the proposed amendment is approved by at least two-thirds (2/3rds) of the voting interests who are present and voting, in person or by proxy, at any annual or special meeting called for the purpose.

22.4 Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall be in the form required by law and shall be executed by the President or Vice President of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida.

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

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

23. MISCELLANEOUS:

23.1 Severability. The invalidity or unenforceability in whole or in part of any covenant or restriction or any section, subsection, sentence, clause, phrase or word or other provision of this Declaration, or any recorded exhibit to this Declaration, shall not effect the remaining portions thereof. Nothing contained in this Amended and Restated Declaration of Condominium is intended to change the appurtenances to the units. If any provision contained herein is deemed by a competent court of law to have such affect, then such provision will be deemed null and void but have no affect on the remaining provisions herein.

23.2 Applicable Statutes. The validity, application and construction of this Declaration and its recorded exhibits shall be governed by the Laws of Florida, particularly the Florida Condominium Act, as it exists on the date hereof.

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

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

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

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23.6 Number and Gender. Whenever the context so requires, the use of the plural shall include both the singular and the plural, and the use of any gender shall be deemed to include all genders.

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

EXHIBITS TO DECLARATION

The exhibits listed below were recorded on January 5, 1996, together with the Declaration of Condominium of Monterrey, a Condominium, by Declaration created on the same date, at Book 2136, Page 352 *et seq.*, Public Records of Collier County, Florida.

- The following Exhibits, as previously amended to date, are hereby incorporated by reference as exhibits to the attached Amended and Restated Declaration of Condominium.

EXHIBIT "A" - LEGAL DESCRIPTION

EXHIBIT "B" - SURVEY

EXHIBIT "C" - PLOT PLANS & FLOOR PLANS

- In addition, the following Exhibits are completely amended and restated, and the Restatements are attached hereto and recorded herewith:

EXHIBIT "E" - ARTICLES OF INCORPORATION OF ASSOCIATION

EXHIBIT "F" - BYLAWS OF THE ASSOCIATION

- In addition, the following Exhibit is deleted in its entirety:

EXHIBIT "D" - SCHEDULE OF SHARES

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

**AMENDED AND RESTATED
BYLAWS
OF
MONTERREY CONDOMINIUM ASSOCIATION, INC.**

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

1.1 Principal Office. The principal office of the Association is at 980 Cape Marco Drive, Marco Island, Florida 34145. The principal office of the Association shall be at the Condominium or at such other place within the county in which the Condominium is located, as the Board of Directors may determine.

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

1.3 Definitions. The terms used herein shall have the same definitions as stated in the Declaration of Condominium to which these Bylaws are attached as an Exhibit.

2. MEMBERS. The members of the Association are the record owners of legal title to the units. In the case of a unit subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the unit solely for purposes of determining use rights. If a unit is subject to a life estate, the life tenant is deemed the unit owner, and joint life tenants are deemed joint owners for the purposes of this provision. Membership becomes effective upon the occurrence of the last to occur of the following events.

(A) Designation a primary occupant, if required, as provided for in Section 14 of the Declaration of Condominium.

(B) Approval of the transfer of ownership by the Board of Directors as provided for in Section 14 of the Declaration of Condominium.

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

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

2.1 Voting Rights; Voting Interests. The members of the Association are entitled to one (1) vote for each unit owned by them. The total number of votes ("voting interests") is equal to the total number of units. The vote of a unit is not divisible. The right to vote may not be denied because of delinquent assessments. If a unit is owned by one (1) natural person, his right to vote shall be established by the record title to the unit. If a unit is owned jointly by two (2) or more natural persons who are not acting as trustees, that unit's vote may be cast by

any one (1) of the record owners. If two (2) or more owners of a unit do not agree among themselves how their one (1) vote shall be cast on any issue, that vote shall not be counted on that issue. If the owner of a unit is not a natural person or is a trustee, the vote of that unit shall be cast by the unit's primary occupant, designated as set forth in Section 14.1 of the Declaration of Condominium.

2.2 Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such unit at an Association meeting as stated in Section 2.2 above, unless the joinder of all record owners is specifically required.

2.3 Change of Membership. Following written approval of the Association as elsewhere required herein, a change of membership in the Association shall be established by the new member's membership becoming effective as provided for in Section 2.1 above, and the membership of the prior owner shall thereby be automatically terminated.

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

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in the county in which the Condominium is located, each year during the first four (4) months of the year at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. During the annual meeting, ballots cast in the annual election of Directors shall be counted and results announced.

3.2 Special Members' Meetings. Special meetings of the members must be held whenever called by the President or by a majority of the Directors, and may also be called by members having at least ten percent (10%) of the votes of the entire membership. Such requests shall be in writing, shall state the purpose or purposes of the meeting, and shall be signed by all the members making the request. Business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice of Meetings. Notices of all meetings of the members must state the time, date, and place of the meeting and include an agenda for the meeting. The notice must be mailed to each member at the address which appears on the books of the Association, or may be furnished by personal delivery. The member bears the responsibility for notifying the Association of any change of address. The notice must be mailed or delivered at least fourteen (14) days before the meeting. If the Association is informed that a unit has been transferred after notice has been mailed, no separate notice to the new owner is required. Notice of any meeting may be waived in writing by any person entitled to receive such notice. Attendance at any meeting by a member constitutes waiver of notice by that member, unless the member objects to the lack of notice at the beginning of the meeting.

3.4 Notice of Annual Meeting; Special Requirements. Notice of the annual meeting together with a detailed agenda shall be posted in a conspicuous place on the condominium property or association property for at least fourteen (14) continuous days prior to the annual meeting. The notice and agenda for the annual meeting shall also be sent by first class mail to each owner, and an affidavit of the officer or other person making such mailing

shall be retained in the Association records as proof of mailing. Notice of the annual meeting may be delivered in person if a written waiver of mailing is obtained.

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

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

3.7 Proxy Voting. To the extent lawful, any person entitled to attend and vote at a members meeting may establish his presence and cast his vote by proxy. Proxies may not be used in electing Directors. "Limited proxies" shall be used for votes taken to waive reserves or financial statement requirements, to amend the condominium documents, and for all other matters for which the Condominium Act requires or permits a vote of the members. "General proxies" may be used to establish a quorum, for procedural votes, and for non-substantive amendments to proposals for which a limited proxy is being used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy is revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by a person authorized to cast the vote for the unit, and specify the date, time and place of the meeting for which it is given. The original must be delivered to the Secretary at or before the time of the meeting or continuance thereof. Holders of proxies need not be members. No proxy is valid if it names more than one person proxyholder, but the proxyholder has the right, if the proxy so provides, to substitute another person to hold the proxy.

3.8 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

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

- (A) Counting of ballots in Election of Directors (if necessary)
- (B) Call of the roll or determination of quorum
- (C) Reading or disposal of minutes of last members' meeting
- (D) Reports of Officers
- (E) Reports of Committees
- (F) Unfinished Business
- (G) New Business
- (H) Adjournment

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

3.11 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with these Bylaws. The presiding officer may

appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.12 Action by Members Without Meeting. Except for the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the members may be taken without a meeting if written consents or other instruments expressing approval of the action proposed to be taken are signed and returned by members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect on the date the requisite number of written consents are received, as if on the date the requisite number of written consents are received the action had been approved by vote of the members at a meeting of the members held on said date. Within ten (10) days after the date the requisite number of consents is received, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law. If the vote is taken by the method described in this section, the list of unit owners on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

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

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be five (5). In order to provide for continuity of experience by establishing a system of staggered terms, in the 2000 annual election, the number of Directors to be elected shall be five (5). The three (3) candidates receiving the highest number of votes shall be elected for two (2) year terms. The two (2) candidates receiving the next highest number of votes shall be elected for one (1) year terms. If there are only five (5) candidates, the determination of who will serve the longer terms shall be made among them by agreement or by lot. Thereafter, all Directors shall be elected for two (2) year terms. A Director's term ends at the annual election at which his successor is to be duly elected. Directors shall be elected by the members as described in Section 4.3 below, or in the case of a vacancy between annual elections, as provided in Section 4.4 below.

4.2 Qualifications. Each Director must be a unit owner or the primary occupant of a unit, or the spouse of the owner or primary occupant.

4.3 Elections. Unless Section 4.3.5 below applies, in each annual election the members shall elect by written, secret ballot as many Directors as there are regular terms of Directors expiring, unless the balloting is dispensed with as provided for by law.

(A) First Notice; Candidates. Not less than sixty (60) days before the election, the Association shall mail or deliver, to each unit owner entitled to vote, a first notice of the date of the election. The first notice may be given by separate Association mailing or included in another Association mailing or delivery, including regularly published newsletters. Any unit owner or other eligible person desiring to be a candidate may qualify as such by giving written notice to the Association not less than forty (40) days before the annual election. Candidates may also be nominated by any other method permitted by law.

(B) Second Notice; Candidate Information Sheets. If there are more candidates than there are Directors to be elected, balloting is required, and at least fourteen (14) days before the election, the Association shall mail or deliver a second notice of election to all unit owners entitled to vote in the contested election, together with a ballot which shall list all qualified candidates in alphabetical order, by surname. This notice may also include the notice of the annual meeting required by Section 3.3 above. Upon timely request of a candidate, the Association shall include a "candidate information sheet" (no larger than 8-1/2 inches by 11 inches, furnished by the candidate) with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.

(C) Balloting. Where balloting is required, Directors shall be elected by a plurality of the votes cast, provided that at least twenty percent (20%) of the eligible voters cast ballots. Proxies may not be used in the election. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one (1) vote for any candidate, it being intended that voting for Directors shall be non-cumulative. Tie votes may be broken by agreement among the candidates who are tied, or if there is no agreement, by lot or by any other method required or permitted by law.

4.3.5 Annual Elections, Alternate Method. To the extent allowed by the Condominium Act, and if at least a majority of the voting interests have voted to do so, elections may be conducted as follows: At each annual meeting the members shall elect as many Directors as there are regular terms of Directors expiring or vacancies to be filled. The nominating committee, if any, shall nominate its recommended candidates for the office of Director on the floor at the annual meeting, at which time any other eligible person may also be nominated as a candidate. Directors shall be elected by a plurality of the votes cast in person or by proxy at the annual meeting. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one vote for any candidate, it being intended that voting for Directors shall be non-cumulative. The candidates receiving the highest number of votes shall be elected. The votes may be broken by agreement among the candidates who are tied, or if there is no agreement, by a run-off election.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor to fill the remaining unexpired term shall be appointed or elected as follows:

(A) Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of the majority of the remaining Directors, even though the remaining Directors constitute less than a quorum, or by the sole remaining Director. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. If a vacancy is not so filled or if no Director remains, the replacement may be elected by the members or, on the petition of any member, by appointment of the Circuit Court of the county where the Condominium is located.

(B) If a vacancy occurs on the Board as a result of an increase in the number of Directors or a recall in which less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, but only for a term of office continuing until the next annual election of Directors by the members, at which time the members shall elect a successor to fill the remaining unexpired term, if any.

(C) If vacancies occur on the Board as a result of a recall, and a majority or more of the Directors are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division,

which provide procedures governing the conduct of the recall election as well as the operation of the Association during the period after a recall, but prior to the recall election.

(D) A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under S. 617.0807 or otherwise, may be filled before the vacancy occurs. However the new Director may not take office until the vacancy occurs.

4.5 Recall of Directors. Any or all Directors may be recalled, with or without cause, by a majority vote of the entire membership, either by a written petition or at a meeting called for that purpose. If a meeting is held or a petition is filed for the removal of more than one (1) Director, the question shall be determined separately as to each Director sought to be recalled. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days after the date of notice of the meeting.

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

4.7 Other Meetings. Meetings of the Board may be held at such time and place in the county in which the Condominium is located, as shall be determined from time to time by the President or by a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegram at least two (2) days before the day of the meeting.

4.8 Notice to Owners. Except as otherwise provided by law or elsewhere in this Section 4, all meetings of the Board of Directors shall be open to attendance by the unit owners. The right of owners to attend Board meetings includes the right to speak on designated agenda items, subject to reasonable rules of the Association governing the manner, duration and frequency of doing so. A notice and agenda of all Board meetings must be posted conspicuously on the condominium property or association property for at least forty-eight (48) continuous hours in advance of each meeting, except in an emergency, and subject to the following special circumstances:

(A) Assessment to be Considered. Notice of any Board meeting at which assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and disclose the nature of such assessments. Notice of any Board meeting at which a special assessment will be considered must also be mailed to the owners of each unit and posted conspicuously on the condominium or association property at least fourteen (14) days before the meeting, except in an emergency, and an affidavit of mailing must be retained as proof of mailing.

(B) Budget Meetings. Notice of any Board meeting held to formally adopt a budget, or to amend a previously adopted budget, must be mailed to the unit owners as further provided in Section 6.2 below.

(C) Meetings with Association Legal Counsel. Meetings between either the Board or a committee, and Association legal counsel, regarding proposed, impending or ongoing litigation, to the extent the meeting is held for the purpose of seeking or rendering legal advice regarding that litigation, may be held without notice to unit owners and may be closed.

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

4.10 Quorum of Directors. A quorum at a Board meeting exists only when at least a majority of all Directors are present in person at a duly called meeting. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation in a meeting by such means is equivalent to presence in person. Directors may not vote or participate in Board meetings by proxy or by secret ballot, except that officers may be elected by secret ballot.

4.11 Vote Required for Action. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the condominium documents or by law. A Director who is present at a meeting of the Board is deemed to have voted in favor of every action taken, unless he voted against an action, or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes.

4.12 Adjourned Meetings. A majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided a quorum is present, any business may be transacted that might have been transacted at the meeting originally as called.

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

4.14 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. If a committee has delegated to it the authority to act for and in the place of the Board, including the power to authorize the expenditure of funds, or to prepare a proposed budget, the committee shall conduct its meetings, and give notice of such meetings, with the same formalities as required for Board meetings. Meetings of a committee for the purpose of taking final action on behalf of the Board, or to make recommendations to the Board regarding a budget, must be noticed and conducted with the same formalities as are required for Board meetings in Section 718.112(2)(c), Florida Statutes (1997), as amended. To the greatest extent permitted by law, meetings of all other committees are exempt from this requirement.

4.16 Emergency Powers. In the event of any "emergency" as defined in Section 4.16(G) below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes (1997), as amended from time to time.

(A) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.

(B) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(C) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(D) Corporate action taken in good faith during what is reasonably believed to be an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttable presumption of being reasonable and necessary.

(E) Any officer, director, or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

(F) These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(G) For purposes of this Sections only, an "emergency" exists only during a period of time that the Condominium, or the immediate geographic area in which the Condominium is located, is subjected to any of the following:

- (1) a state of emergency declared by local civil or law enforcement authorities
- (2) a hurricane warning
- (3) a partial or complete evacuation order
- (4) a federal or state "disaster area" status
- (5) a catastrophic occurrence, whether natural or manmade, which seriously damages or threatens to seriously damage the physical existence of the Condominium, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest or act of terrorism, or other similar event.

An "emergency" also exists for purposes of this Section during any period of time when a quorum of the Board cannot readily be assembled because of the occurrence or imminent occurrence of a catastrophic event, such as a hurricane, earthquake, act of war, civil unrest or terrorism, or other similar event. A good faith determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive validity.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President, and a Vice President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of all Directors at any meeting. Any person except the President may hold two (2) or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one (1) Vice President. Any officer may resign at any time by giving written notice to the Corporation and unless otherwise specified therein, the resignation shall become effective upon receipt.

5.2 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors, shall be ex officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts requiring the seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

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

5.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for standing committees when required. He shall give, or cause to be given, proper notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one (1) has been designated.

5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall oversee the disbursement of Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if one (1) has been designated.

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

6.1 Depository. The Association shall maintain its funds in federally insured accounts or investments with such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.

6.2 Budget. The Board of Directors shall adopt a budget of common expenses in advance for each fiscal year. A copy of the proposed budget, and a notice stating the time, date and place of the meeting of the Board at which the budget will be adopted, shall be mailed or delivered to the owner of each unit not less than fourteen (14) days before that meeting. The proposed budget must be detailed, and must show the amounts budgeted by income and expense classifications, including without limitation those specified in Section 718.504(20)(c) of the Condominium Act, if applicable.

6.3 Statutory Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. They shall also include any other planned or foreseeable capital expenditure

or deferred maintenance item with a current estimated cost of \$10,000 or more. The amount to be reserved shall be computed by a formula based upon estimated remaining life and replacement cost of each item. These reserves must be funded unless the members of the Association have, by a majority vote of those present in person or by proxy at a duly called meeting of the Association, determined to fund no reserves, or less than adequate reserves, for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in Section 6.2 above. Reserves funded under this paragraph, and any interest thereon, shall be used only for the purposes for which they were reserved, unless their use for other purposes is approved in advance by a majority of the voting interests present, in person or by limited proxy, at a members' meeting called for the purpose.

6.4 Other Reserves. In addition to the statutory reserves described in Section 6.3 above, or in place of them if the members so vote, the Board may establish one or more additional reserve accounts for contingencies, operating expenses, repairs, minor improvements, deferred maintenance or special projects. The purpose of these reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

6.5 Assessments. Regular annual assessments based on the adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to the members at least fifteen (15) days prior to the due date. Failure to send or receive such notice does not excuse the obligation to pay. The quarterly installments shall be equal in size, except that If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and payments shall be continued at such rate until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment.

6.6 Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessments. The total of all special assessments coming due in any fiscal year shall not exceed fifteen percent (15%) of the total annual budget for that year, including reserves, unless a majority of the voting interests first consent. The notice of any Board meeting at which a special assessment will be considered, discussed or proposed shall be given as provided in Section 4.8 above and the notice to the owners that the assessment has been levied must contain a statement of the purpose(s) of the assessment. The funds collected must be spent for the stated purpose(s) or returned to the members as provided by law.

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

6.8 Financial Statements. Not later than ninety (90) days after the close of each fiscal year, the Association shall cause to be distributed to the owners of each unit complete financial statements for the year, meeting the requirements of Section 781.111(14) of the Condominium Act, prepared by an independent certified public accountant. These requirement may be waived for a fiscal year by approval of at least a majority of the voting interests present in person or by proxy at a meeting called for the purpose and held prior to the end of the fiscal year.

6.9 Audits. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report made available to all members.

6.10 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year. The Board of Directors may adopt a different fiscal year in accordance with law and the regulations of the Internal Revenue Service.

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

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

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

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

- (1) A statement of the date, time and place of the hearing;
- (2) A specific designation of the provisions of the Declaration, Bylaws or rules which are alleged to have been violated;
- (3) A short and plain statement of the specific facts giving rise to the alleged violation(s); and
- (4) The possible amounts of any proposed fine.

(B) **Hearing:** At the hearing the party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony presented by the Association. The hearing shall be conducted before a panel of three (3) non-Director unit owners appointed by the Board. If the committee, by majority vote, does not agree with the fine, it may not be levied. If the committee agrees with the fine, the Board shall levy the fine.

8.2 Mandatory Non-Binding Arbitration. In the event of any dispute as defined in Section 718.1255(1) of the Condominium Act, between a unit owner and the Association arising from the operation of the Condominium, the parties must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Land Sales, Condominiums and Mobile Homes prior to filing any lawsuit over the disputed matters.

Nothing herein shall be construed to require arbitration of disputes related to the levy or collection of fees or assessments.

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

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

9.1 Proposal. Amendments to these Bylaws may be proposed by a majority of the Board, or by written petition to the Board, signed by at least one-fourth (1/4th) of the voting interests.

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

9.3 Vote Required. Except as otherwise provided by law, or by specific provision of the condominium documents, a proposed amendment to these Bylaws shall be adopted if it is approved at least two-thirds (2/3rds) of the voting interests present in person or by proxy at any annual or special meeting called for the purpose, provided that notice of the proposed amendment has been given to the members in accordance with law.

9.4 Recording; Effective Date. A copy of each adopted amendment shall be attached to a certificate reciting the facts of its adoption, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida. The certificate must identify the book and page of the Public Records where the Declaration of Condominium was originally recorded.

10. MISCELLANEOUS.

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

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

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



Rec'd
8/3/00

SAMOUCE, MURRELL & FRANCOEUR, P.A.

800 Laurel Oak Drive, Suite 300
Naples, Florida 34108

Robert C. Samouce
Robert E. Murrell
Philip M. Francoeur, Jr.

August 1, 2000

Telephone (941) 596 - 9522
Facsimile (941) 596-9523

Derek Beebe, Manager
Monterrey Condominium Association, Inc.
980 Cape Marco Drive
Marco Island, FL 34145

**RE: Monterrey Condominium Association, Inc.
Amended and Restated Declaration of Condominium and Bylaws**

Dear Derek:

Pursuant to the approval by the membership of Monterrey Condominium Association, Inc. on February 10, 2000, enclosed please find the original Amended and Restated Articles of Incorporation of Monterrey Condominium Association, Inc., recorded July 25, 2000, at O.R. Book 2702, Pages 0118 *et seq* in Collier County. The original documents should be kept with the other official records of the Association. The Association may wish to distribute a copy to the membership.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Kind regards,
SAMOUCE, MURRELL & FRANCOEUR, P.A.

A handwritten signature in black ink, appearing to read 'Robert C. Samouce', written over a horizontal line.

Robert C. Samouce
For the Firm

RCS/tm
Enclosures

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

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
MONTERREY CONDOMINIUM ASSOCIATION, INC.**

Pursuant to Section 617.1007, Florida Statutes, the Articles of Incorporation of Monterrey Condominium Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on April 13, 1992, are hereby amended, and restated in their entirety as amended. All amendments included herein have been adopted pursuant to Section 617.0201(4), Florida Statutes, and there is no discrepancy between the corporation's Articles of Incorporation as heretofore amended and the provisions of these Amended and Restated Articles other than the inclusion of amendments adopted pursuant to Section 617.0201(4) and the omission of matters of historical interest. The Amended and Restated Articles of Incorporation of Monterrey Condominium Association, Inc., shall henceforth be as follows:

ARTICLE I

NAME: The name of the corporation, herein called the "Association," is Monterrey Condominium Association, Inc., and its address is 980 Cape Marco Drive, Marco Island, Florida, 34145.

ARTICLE II

PURPOSE AND POWERS: The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act for the operation of Monterrey, a Condominium, located in Collier County, Florida.

The Association is organized and shall exist on a non-stock basis as a corporation not for profit under the laws of the State of Florida, and no portion of any earnings of the Association shall be distributed or inure to the private benefit of any member, Director or officer of the Association. For the accomplishment of its purposes, the Association shall have all of the common law and statutory powers and duties of a corporation not for profit under the laws of the State of Florida, except as expressly limited or modified by these Articles, the Declaration of Condominium, the Bylaws or Chapter 718, Florida Statutes, as they may be amended from time to time, including but not limited to the following:

- (A) To make and collect assessments against members of the Association to defray the costs, expenses and losses of the Association, and to use the funds in the exercise of its powers and duties.
- (B) To protect, maintain, repair, replace and operate the condominium property.
- (C) To purchase insurance upon the condominium property and Association property for the protection of the Association and its members.
- (D) To reconstruct improvements after casualty and to make further improvements of the condominium property.

ARTICLES OF INCORPORATION

EXHIBIT "E"

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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

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

ARTICLE III

MEMBERSHIP:

- (A) The members of the Association shall be the record owners of legal title to one or more units in the Condominium, as further provided in the Bylaws. After termination of the Condominium, the members shall consist of those who were members at the time of such termination and their successors in interest.
- (B) The share of a member in the funds and assets of the Association cannot be assigned or transferred in any manner except as an appurtenance to his unit.
- (C) The owners of each unit, collectively, shall be entitled to one vote in Association matters. The manner of exercising voting rights shall be as set forth in the Bylaws.

ARTICLE IV

TERM: The term of the Association shall be perpetual.

ARTICLE V

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

ARTICLE VI

DIRECTORS AND OFFICERS:

(A) The affairs of the Association shall be administered by a Board of Directors consisting of the number of Directors determined by the Bylaws, but not less than five (5) Directors, and in the absence of such determination shall consist of five (5) Directors.

(B) Directors of the Association shall be elected by the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

(C) The business of the Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected each year by the Board of Directors at its first meeting after the annual meeting of the members of the Association, and they shall serve at the pleasure of the Board.

ARTICLE VII

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

(A) Proposal. Amendments to these Articles may be proposed by a majority of the Board or by written petition, signed by at least one-fourth (1/4) of the voting interests.

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

(C) Vote Required. Except as otherwise required by law, a proposed amendment to these Articles of Incorporation shall be adopted if it is approved by at least two-thirds (2/3rds) of the voting interests present in person or by proxy and voting at any annual or special meeting, or by approval in writing of two-thirds (2/3rds) of the voting interests without a meeting, provided that notice of any proposed amendment has been given to the members of the Association, and that the notice contains a fair statement of the proposed amendment.

(D) Effective Date. An amendment shall become effective upon proper filing with the Secretary of State and recording a certified copy in the Public Records of Collier County, Florida, with the same formalities as required by law for recording an amendment to the Bylaws.

ARTICLE VIII

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

- (A) Willful misconduct or a conscious disregard for the best interests of the Association, in a proceeding by or in the right of the Association to procure a judgement in its favor.
- (B) Violation of criminal law, unless the person seeking indemnification had no reasonable cause to believe his action was unlawful or had reasonable cause to believe his action was lawful.
- (C) A transaction from which the person seeking indemnification derived an improper personal benefit.
- (D) Recklessness, or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and wilful disregard for human rights, safety or property, in an action by or in the right of someone other than the association or a member.

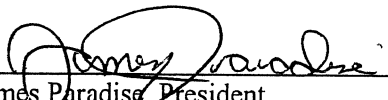
In the event of a settlement, the right to indemnification is subject to the finding by at least a majority of the disinterested Directors that the settlement is in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which a Director or officer may be entitled.

CERTIFICATE

The undersigned, being the duly elected and acting President and Secretary of Monterrey Condominium Association, Inc., hereby certifies that the foregoing were duly approved and adopted by an affirmative vote of the members owning not less than three-fourths (3/4ths) of the units in the Condominium at a meeting of the membership held on the 10th day of February, 2000, after due notice, in accordance with the requirements of the Articles of Incorporation for their amendment, and that said vote is sufficient for their amendment. The foregoing both amend and restate the amended Articles of Incorporation in their entirety.

Executed this 21st day of June, 2000.

**MONTERREY CONDOMINIUM
ASSOCIATION, INC.**

By: 
James Paradise, President
980 Cape Marco Drive, #505
Marco Island, FL 34145

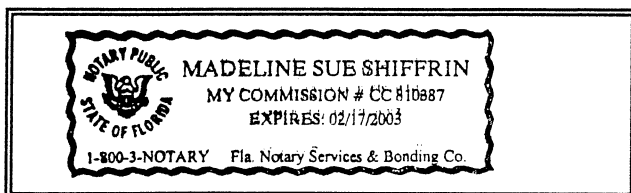
(SEAL)

Attest:


Dr. Ralph Madonna, Secretary

STATE OF FLORIDA
COUNTY OF Collier

Subscribed to before me this 21st day of June, 2000, by James Paradise and Dr. Ralph Madonna, President and Secretary, respectively, of Monterrey Condominium Association, Inc., a Florida corporation not for profit, on behalf of the corporation. James Paradise and Dr. Ralph Madonna are personally known to me or did produce _____ as identification.



Print, Type, or Stamp Commissioned Name of Notary Public)
(Affix Notarial Seal)


Signature of Notary Public

This instrument prepared by Robert C. Samouce, Esq.,
Samouce, Murrell & Francoeur, P.A., 800 Laurel Oak Drive,
Suite 300, Naples, FL 34108.

ARTICLES OF INCORPORATION

EXHIBIT "E"

CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly and acting President of Monterrey Condominium Association, Inc., a Florida corporation not for profit, hereby certifies that at a meeting of the members held on February 10, 2000, where a quorum was present, after due notice, the resolution set forth below was duly approved by the vote indicated for the purpose of amending and restating the Articles of Incorporation of Monterrey Condominium Association, Inc. originally attached and recorded as Exhibit "E" to the Declaration of Condominium in O.R. Book 2136 at Pages 0352 et seq., of the Public Records of Collier County, Florida, as previously amended.

1. The following resolution was approved by an affirmative vote of the members owning not less than three-fourths (3/4) of the Units in the Condominium.

RESOLVED: That the Articles of Incorporation of Monterrey Condominium Association, Inc., be and are hereby amended and restated in their entirety; and the restatement is adopted in the form attached hereto, and made a part hereof.

Date June 21st 2000

(1) Derek A. Beebe
Witness
Print Name: DEREK A. BEEBE

Michelle L. Carpenter
Witness
Print Name: MICHELLE L. CARPENTER

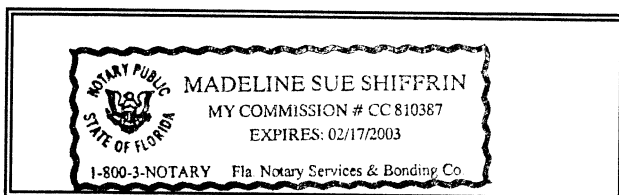
MONTERREY CONDOMINIUM ASSOCIATION, INC.

By: James Paradise
James Paradise, President
980 Cape Marco Drive, #505
Marco Island, FL 34145

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF Collier

The foregoing instrument was acknowledged before me this 21st day of June, 2000 by James Paradise, President of the aforementioned Corporation, on behalf of the Corporation. He is personally known to me or has produced _____ as identification.



Print, Type, or Stamp Commissioned Name of Notary Public)
(Affix Notarial Seal)

Madeline Sue Shiffrin
Signature of Notary Public

This instrument prepared by Robert C. Samouce, Esq., Samouce, Murrell & Francoeur, P.A. 800 Laurel Oak Drive, Suite 300, Naples, FL 34108

2666716 OR: 2702 PG: 0118
RECORDED in OFFICIAL RECORDS of COLLIER COUNTY, FL
07/25/2000 at 08:14AM DWIGHT E. BROCK, CLERK
RBC FEE 28.50

Retn:
SAMOUCÉ MURRELL & FRANCOEUR
800 LAUREL OAK DR #300
NAPLES FL 34108

(for use by Clerk of Court)