

EMERALD GREEN SECTION TWO
A CONDOMINIUM

DECLARATION OF CONDOMINIUM

70-122627

I

SUBMISSION STATEMENT

HOLLYWOOD, INC., a Florida corporation, being the owner of record of the fee simple title to the following described real property, situate, lying and being in Broward County, Florida, to-wit:

A portion of Block 39, "HOLLYWOOD HILLS NORTH SECTION ONE", according to plat thereof recorded in Plat Book 66, page 20, of the public records of Broward County, Florida, being more particularly described as follows:

From the northernmost corner of said Block 39, run S.37°45' 00"W. along the west line of Block 39 a distance of 50 feet to a point of curvature; thence, southwesterly along said west line on a curve to the right having a radius of 330 feet and a central angle of 13°51'41" an arc distance of 79.84 feet to a point of tangency; thence, S.51°36'41"W. along said west line 137 feet to the point of beginning; thence, continue S.51°36'41"W. along said west line 215.54 feet; thence, S.38°23'19"E. 49.36 feet; thence, East 8.67 feet; thence, South 25.83 feet; thence, East 26.85 feet; thence, South 75.94 feet; thence, East 14.33 feet; thence, South 13.83 feet; thence, East 35.34 feet; thence, South 128.50 feet; thence, East 56.12 feet; thence, South 51.67 feet; thence, East 38.66 feet; thence, South 61.67 feet; thence, West 13.83 feet; thence, South 16.33 feet; thence, West 28.83 feet; thence, South 12.33 feet; thence, East 28.83 feet; thence, South 8.67 feet; thence, S.51°36'44"E. 39.38 feet; thence, N.38°23'16"E. along the east line of said Block 39 a distance of 243.56 feet; thence, N.36°52'12"E. along said east line 146.00 feet; thence, N.53°07' 48"W. 89.00 feet; thence, N.36°52'12"E. 108.12 feet; thence, N.45° 00'00"W. 222.35 feet; thence, S.51°36'41"W. 94.50 feet; thence, N.38°23'19"W. 96.50 feet to the point of beginning; excepting therefrom the following described parcel:

From the northernmost corner of said Block 39, run S.52°15'00"E. along the north line of Block 39 a distance of 172.74 feet; thence, S.41°30'00"W. 304.67 feet to the point of beginning; thence, continue S.41°30'00"W. 101.08 feet to a point of curvature; thence, westerly along a curve to the right having a radius of 15 feet and a central angle of 63°30'00" an arc distance of 16.62 feet to a point of tangency; thence, N.75°00'00"W. 28.95 feet to a point of curvature; thence, northwesterly along a curve to the right having a radius of 15 feet and a central angle of 30°00'00" an arc distance of 7.85 feet to a point of tangency; thence, N.45°00'00"W. 33.67 feet to a point of curvature; thence, northwesterly along a curve to the right having a radius of 15 feet and a central angle of 45°00'00" an arc distance of 11.78 feet to a point of tangency; thence, due north 42.87 feet to a point of curvature; thence, northeasterly along a curve to the right having a radius of 15 feet and a central angle of 87°20'00" an arc distance of 22.86 feet to a point of tangency; thence, N.87°20'00"E. 95.68 feet; thence, S.83°17'45"E. 25.79 feet to a point of curvature; thence, southerly along a curve to the right having a radius of 15 feet and a central angle of 124°47'45" an arc distance of 32.67 feet to a point of tangency and the point of beginning.

This instrument was prepared by:
ROSS P. GERNERMAN, Attorney
3325 Hollywood Blvd.
Hollywood, Florida 33021
Return to the above.

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hereby states and declares that said realty, together with the improvements thereon, is submitted to Condominium ownership, pursuant to the Condominium Act of the State of Florida, F. S. 711 Et Seq. (hereinafter referred to as the "Condominium Act"), and the provisions of said Act are hereby incorporated by reference and included herein thereby, and does herewith file for record this Declaration of Condominium.

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

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

B. Association, means the Florida non-profit Corporation whose name appears at the end of this Declaration, said Association being the entity responsible for the operation of the Condominium.

C. By-Laws, means the By-Laws of the Association specified above, as they exist from time to time.

D. Common Elements, means the portions of the Condominium property not included in the villas.

E. Limited Common Elements, means and includes those common elements which are reserved for the use of a certain villa or villas, to the exclusion of all other villas.

F. Condominium, means that form of ownership of Condominium property under which villas of improvements are subject to ownership by different owners, and there is appurtenant to each villa as part thereof, an undivided share in the common elements.

G. Condominium Act, means and refers to the Condominium Act of the State of Florida (F.S. 711 Et Seq.), as the same may be amended from time to time.

H. Common Expenses, means the expenses for which the villa owners are liable to the Association.

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

J. Condominium property, means and includes the land in a Condominium, whether or not contiguous, and all improvements thereof, and all easements and rights thereto, intended for use in connection with the Condominium.

K. Assessment, means a share of the funds required for the payment of common expenses which, from time to time, is assessed against the villa owner.

L. Condominium Parcel, means a villa, together with the undivided share in the common elements which is appurtenant to the villa.

M. Condominium villa, or villa, means a part of the Condominium property which is to be subject to private ownership.

N. Villa Owner, or Owner of a Villa, or Parcel Owner, means the owner of a Condominium parcel.

O. Developer, means the Florida Corporation whose name appears at the end of this Declaration, its successors and assigns.

P. Institutional Mortgagee, means a Bank, Savings and Loan Association, Insurance Company or Union Pension Fund, authorized to do business in the United States of America, or an Agency of the United States Government. The mortgage may be placed through a Mortgage or Title Company.

Q. Occupant means the person or persons, other than the villa owner, in possession of a villa.

R. Condominium Documents, means this Declaration, the By-Laws and all Exhibits annexed hereto, as the same may be amended from time to time.

S. Unless the context otherwise requires, all other terms used in this Declaration shall be assumed to have the meaning attributed to said term by Section 3 of the Condominium Act.

T. Long-Term Lease, means and refers to the interest of the Association in and to the recreation area and facilities described in and pursuant to the Long-Term Lease, which Long-Term Lease is attached to this Declaration and made a part hereof. Lessor, means the Lessor under the aforesaid Long-Term Lease.

U. Management Agreement, means and refers to that certain Agreement attached to this Declaration and made a part hereof, which provides for the management of the Condominium property and the recreation area and facilities.

V. Management Firm, means and refers to the Corporation identified as the Management Firm in the Management Agreement attached to this Declaration, its successors and assigns. The Management Firm shall be responsible for the management of the Condominium property and the recreation area and facilities, as provided in the Management Agreement attached to this Declaration and made a part hereof.

II

NAME

The name by which this Condominium is to be identified, is EMERALD GREEN SECTION TWO, a Condominium.

III

IDENTIFICATION OF VILLAS

The Condominium property consists essentially of eighteen (18) villas in all, and for the purpose of identification, all villas located on said Condominium property are given identifying numbers and delineated on the Survey Exhibits, collectively identified as "Exhibit No. 1", hereto attached and made a part of this Declaration. No Villa bears the same identifying number as does any other villa. The aforesaid identifying number as the villa is also the identifying number as to the parcel. The said Exhibit No. 1 also contains a survey of the land, graphic description of the improvements in which the villas are located, and a plot plan and, together with this Declaration, they are in sufficient detail to identify the location, dimensions and size of the common elements and of each villa, as evidenced by the Certificate of the Registered Land Surveyor hereto attached. The legend and notes contained within the said Exhibit are incorporated herein and made a part hereof by reference. The villas are legally described by the Condominium

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Villa number set forth and identified in Exhibit 1, together with the following language:

CONDOMINIUM VILLA NO. _____ of EMERALD GREEN SECTION TWO, a condominium, according to the Declaration of Condominium thereof, recorded in Official Record Book _____, at Page _____ of the Public Records of Broward County, Florida. As provided for by the Condominium Act of the Statutes of the State of Florida (F.S. 711 et seq), said description and this conveyance includes but is not limited to, all appurtenances to the condominium parcel aforescribed, including the undivided interest in the common elements of said condominium.

Each villa shall include the part of the building containing the villa that lies within the boundaries of the villa, which boundaries are as follows:

(i) UPPER & LOWER BOUNDARIES:

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

Upper Boundary - The top horizontal plane and the four sloping side planes of the unfinished roof surfaces.

Lower Boundary - The horizontal plane of the bottom of the floor slab.

(ii) PERIMETRICAL BOUNDARIES:

The Perimetrical boundaries of the villa shall be the vertical planes of the undecorated finished exterior of the walls and the screens on the screened porches bounding the villa extended to intersections with each other and with the upper and lower boundaries.

IV

OWNERSHIP OF COMMON ELEMENTS

Each of the villa owners of the Condominium shall own an undivided interest in the common elements and limited common elements, and the undivided interest, stated as percentages of such ownership in the said common elements and limited common elements, is set forth on Exhibit A, which is annexed to this Declaration and made a part hereof.

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

Each villa owner so long as he remains a villa owner subject to the various limitations and conditions as set forth herein and in the exhibits attached hereto shall have an easement for ingress and egress over said common elements and areas as delineated on Exhibit No. 1.

V

VOTING RIGHTS

There shall be one person with respect to each villa ownership who shall be entitled to vote at any meeting of the villa owners - such person shall be known (and is hereinafter referred to) as a

"Voting Member". If a villa is owned by more than one person, the owners of said villa shall designate one of them as the Voting Member, or in the case of a Corporate villa owner, an officer or employee thereof shall be the Voting Member. The designation of the Voting Member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Association.

Each owner or group of owners, shall be entitled to the number of votes equal to the total of the percentage of ownership in the common elements applicable to his Condominium parcel, as set forth and specified in Exhibit "A", which is annexed to this Declaration and made a part hereof. The vote of a Condominium villa is not divisible.

VI

COMMON EXPENSE AND COMMON SURPLUS

The common expenses of the Condominium, including the obligation of each villa owner under the Long-Term Lease and Management Agreement attached to this Declaration, shall be shared by the villa owners, as specified and set forth in Exhibit "A". The foregoing ratio of sharing common expenses and assessments shall remain, regardless of the purchase price of the Condominium parcels, their location, or the building square footage included in each Condominium villa.

Any common surplus of the Association shall be owned by each of the villa owners in the same proportion as their percentage ownership interest in the common elements - any common surplus being the excess of all receipts of the Association from this Condominium, including but not limited to, assessments, rents, profits and revenues on account of the common elements of this Condominium, over the amount of the common expenses of this Condominium.

VII

METHOD OF AMENDMENT OF DECLARATION

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

All Amendments shall be recorded and certified, as required by the Condominium Act. No Amendment shall change any Condominium parcel, nor a Condominium villa's proportionate share of the common expenses or common surplus, nor the voting rights appurtenant to any villa, unless the record owner(s) thereof, and all record owners of mortgages or other voluntarily placed liens thereon, shall join in the execution of the Amendment. No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgages, or change the provisions of this Declaration with respect to Institutional Mortgagees, without the written approval of all Institutional Mortgagees of record, nor shall the provisions of Article XII of this Declaration be changed without the written approval of all Institutional Mortgagees of record.

Notwithstanding the foregoing, this Declaration may not be amended without the written approval of the Lessor under the Long-Term Lease and the Management Firm under the Management Agreement, as long as the said Management Agreement attached to this Declaration remains in effect, which said approvals shall not be unreasonably withheld. No Amendment shall change the rights and privileges of the Developer without the Developer's written approval.

Notwithstanding the foregoing paragraphs of this Article VII, the Developer reserves the right to change the interior design and arrangement of all villas, and to alter the boundaries between villas, as long as the Developer owns the villas so altered; however, no such change shall increase the number of villas nor alter the boundaries of the common elements, except the party wall between any Condominium villas, without Amendment of this Declaration in the manner hereinbefore set forth. If the Developer shall make any changes in villas, as provided in this paragraph, such changes shall be reflected by the Amendment of this Declaration with a Survey attached, reflecting such authorized alteration of villas, and said Amendment need only be executed and acknowledged by the Developer and any holders of Institutional Mortgages encumbering the said altered villas. The survey shall be certified in the manner required by the Condominium Act. If more than one villa is concerned, the Developer shall apportion between the villas, the shares in the common elements appurtenant to the villas concerned, and the voting rights, together with apportioning the common expenses and common surplus of the villas concerned, and such shares of common elements, common expenses and common surplus, and the voting rights of the villas concerned, shall be duly noted in the Amendment of the Declaration. The rent under the Long-Term Lease shall be apportioned by the Developer, with the Lessor's written approval, and same shall be reflected in the Amendment to Declaration.

VIII

BY-LAWS

The operation of the Condominium property shall be governed by the By-Laws of the Association, which are set forth in a document which is annexed to this Declaration, marked Exhibit No. 2, and made a part hereof.

No modification of or Amendment to the By-Laws of said Association shall be valid unless set forth in or annexed to a duly recorded Amendment to this Declaration. The By-Laws may be amended in the manner provided for therein, but no Amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Condominium parcel(s) or which would change the provisions of the By-Laws with respect to Institutional Mortgages, without the written approval of all Institutional Mortgagees of record. The By-Laws may not be amended without the written approval of the Lessor under the Long-Term Lease, and of the Management Firm, as required for amendment of this Declaration, as provided in Article VII hereinabove. No amendment shall change the rights and privileges of the Developer without the Developer's written approval.

IX

THE OPERATING ENTITY

The operating entity of the Condominium shall be the Florida non-profit Corporation whose name appears at the end of this Declaration, which is responsible for the operation of the Condominium specified in Article II hereinabove, said Association being organized and existing pursuant to the Condominium Act. The said Association shall have all of the powers and duties set forth in the Condominium Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration, the By-Laws of the Association and its Articles of Incorporation, a copy of said Articles of Incorporation being annexed hereto, marked Exhibit No. 3, and made a part hereof, and all of the powers and duties necessary to operate the Condominium, as set forth in this Declaration and the By-Laws, and as they may be amended from time to time.

Every owner of a Condominium parcel, whether he has acquired his ownership by purchase, by gift, conveyance or transfer by

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operation of law, or otherwise, shall be bound by the By-Laws and Articles of Incorporation of the said Association, the provisions of this Declaration, the Long-Term Lease and the Management Agreement.

X

ASSESSMENTS

The Association, through its Board of Directors, has delegated to the Management Firm, the power of the Association to fix and determine from time to time, the sum or sums necessary and adequate to provide for the common expenses of the Condominium property, and such other sums as are specifically provided for in this Declaration and the By-Laws, and Exhibits attached hereto, for such period of time as provided in the Management Agreement, and thereafter, the Association shall have such power. The Association, through its Board of Directors, shall have the power to fix and determine from time to time, the sum or sums necessary and adequate to provide for the common expenses of the Condominium property and such other assessments as are specifically provided for in this Declaration and exhibits attached hereto, where said power has not been or is no longer delegated to the Management Firm. The procedure for the determination of all such assessments shall be as set forth in the By-Laws of the Association and this Declaration, and the Exhibits attached hereto.

The common expenses shall be assessed against each Condominium parcel owner, as provided for in Article VI, of this Declaration.

Assessments that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten percent (10%) per annum from due date until paid, and at the sole discretion of the Management Firm and/or the Board of Directors, a late charge of \$25.00 shall be due and payable.

The Association and the Management Firm, as long as the Management Agreement remains in effect, shall have a lien on each Condominium parcel for unpaid assessments, together with interest thereon, against the villa owner of such Condominium parcel, together with a lien on all tangible personal property located within said villa, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorneys' fees incurred by the Association and Management Firm incident to the collection of such assessments or the enforcement of such lien, together with all sums advanced and paid by the Association or the Management Firm for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association or Management Firm, in order to preserve and protect its lien, shall be payable by the villa owner and secured by such lien. The aforesaid lien shall also include those sums advanced on behalf of a villa owner in payment of his obligation under the Long-Term Lease and Management Firm, for as long as the Management Agreement remains in effect, and the Board of Directors, may take such action as it deems necessary to collect assessments by personal action or by enforcing and foreclosing said lien, and may settle and compromise the same if deemed in its best interests. Said lien shall be effective as and in the manner provided for by the Condominium Act, and shall have the priorities established by said Act. The Management Firm, as long as the Management Agreement remains in effect, and the Association, shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid, all sums due, as provided herein, covered by the lien enforced. In case of such foreclosure, the villa owner shall be required to pay a reasonable rental for the Condominium parcel, and Plaintiff in such foreclosure shall be entitled to the appointment of a Receiver to collect same from the villa owner and/or occupant.

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Where the Mortgagee of an Institutional First Mortgage of record, or other purchaser of a Condominium villa, obtains title to a Condominium parcel as a result of foreclosure of the Institutional First Mortgage, or when an Institutional First Mortgagee of record accepts a Deed to said Condominium parcel in lieu of foreclosure, such acquirer of title, its successors and assigns, shall not be liable for the shares of common expenses or assessment by the Management Firm or the Association pertaining to such Condominium parcel, or chargeable to the former villa owner of such parcel, which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such Deed in lieu of foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectable from all of the villa owners, excluding such acquirer, his successors and assigns.

In addition to the foregoing provisions of the preceding paragraph, where Institutional Mortgagee obtains title to a Condominium parcel as a result of foreclosure of its Mortgage, or it accepts a Deed to said Condominium parcel in lieu of foreclosure, said Mortgagee shall not be liable for the share of common expenses or assessments by the Association, as to and under the Long-Term Lease, as set forth in Exhibit "A" attached to this Declaration of Condominium, for as long thereafter as said Mortgagee shall continue to be the owner of said Condominium parcel and said Mortgagee, as the owner of said Condominium parcel, shall receive a complete and total abatement of common expenses or assessments by the Association, as to and under the Long-Term Lease, as set forth in Exhibit "A" attached to this Declaration of Condominium, and such share of common expenses or assessments by the Association, as to and under the Long-Term Lease, as aforesaid, shall be deemed to be common expenses collectable from all of the villa owners in the Condominium, excluding said Mortgagee. Said Mortgagee shall receive the full benefit of the foregoing, including such time when said Mortgagee shall lease said Condominium parcel, and notwithstanding the foregoing, said Mortgagee and/or its Lessee shall be entitled to the use and enjoyment of the recreational facilities provided under the Long-Term Lease. The aforesaid abatement shall in no wise operate to extinguish or impair the liens for common expenses nor the Long-Term Lease, except as provided herein, and said abated common expenses shall never be chargeable to or collectable from said Mortgagee, its grantees, successors or assigns. Upon the said Mortgagee conveying its title to the Condominium parcel so acquired by it (and the said conveyance shall be subject to this Declaration and Exhibits attached hereto, including the Long-Term Lease), the foregoing abatement shall cease, and the purchaser of said Condominium parcel from said Mortgagee shall be liable for such share of common expenses or assessments by the Association, as to the Long-Term Lease, from and after the date of the acquisition of title.

The provisions of Article XXIII of the Long-Term Lease attached hereto as Exhibit No. 4, which provides for certain rights in favor of certain Institutional First Mortgagees, as specified therein, as to the rent due as to a Condominium parcel under said Long-Term Lease, shall continue in full force and effect, and such provisions are paramount to and not limited by the foregoing paragraph in this Declaration, and said foregoing paragraph shall be so interpreted in this regard.

Any person who acquires an interest in a villa, except through foreclosure of an Institutional First Mortgage of record, as specifically provided in the paragraph immediately preceding, including, without limitation, persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to occupancy of the villa or enjoyment of the common elements until such time as all unpaid assessments due and owing by the former villa owners have been paid. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, acting

through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments to the Developer, or to any villa owner or group of villa owners, or to any third party.

XI

PROVISIONS RELATING TO SALE OR RENTAL OR OTHER ALIENATION OR MORTGAGING OF CONDOMINIUM VILLAS

A. SALE OR RENTAL OF VILLAS - Association and Management Firm to Have First Right of Refusal.

In the event any villa owner wishes to sell, rent or lease his villa, the Association and Management Firm, as long as the Management Agreement remains in effect, shall have the option to purchase, rent or lease said villa, upon the same conditions as are offered by the villa owner to a third person. Any attempt to sell, rent or lease said villa without prior offer to the Association and Management Firm shall be deemed a breach of this Declaration and shall be wholly null and void, and shall confer no title or interest whatsoever upon the intended purchaser, tenant or lessee. The approval of the Management Firm is required, pursuant to Article XIX A, of this Declaration.

Should a villa owner wish to sell, lease or rent his Condominium parcel (which means the villa, together with the undivided share of the common elements appurtenant thereto), he shall, before accepting any offer to purchase, sell or lease, or rent, his Condominium parcel, deliver to the Management Firm and Board of Directors of the Association, a written notice containing the terms of the offer he has received or which he wishes to accept, the name and address of the person(s) to whom the proposed sale, lease or transfer is to be made, two Bank references and three individual references - local, if possible, and such other information (to be requested within five (5) days from receipt of such notice) as may be required by the Board of Directors of the Association or the Management Firm. The Board of Directors of the Association, or the Management Firm, is authorized to waive any or all of the references aforementioned.

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

The stated designee of the Board of Directors or Management Firm shall have fourteen (14) days from the date of the notice sent by the Board of Directors or Management Firm, within which to make a binding offer to buy, lease or rent, upon the same terms and conditions specified in the villa owner's notice. Thereupon, the villa owner shall either accept such offer or withdraw and/or reject the offer specified in his notice to the Board of Directors and Management Firm. Failure of the Board of Directors and Management Firm

to designate such person(s), or failure of such person(s) to make such offer within the said fourteen (14) day period, or failure of the Board of Directors and Management Firm to object for good cause, shall be deemed consent by the Board of Directors and Management Firm to the transaction specified in the villa owner's notice, and the villa owner shall be free to make or accept the offer specified in his notice, and sell, lease or rent said interest pursuant thereto, to the prospective purchaser or tenant named therein, within ninety (90) days after his notice was given.

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

The sub-leasing or sub-renting of a villa owner's interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall have the right to require that a substantially uniform form of lease or sub-lease be used, or in the alternative, the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors' approval of the lease or sub-lease form to be used shall be required. After approval, as herein set forth, entire villas may be rented, provided the occupancy is only by the Lessee, his family and guests. No individual rooms may be rented, and no transient tenants may be accommodated.

Where a corporate entity is the owner of a villa, it may designate the occupants of the villas as it desires, and for such period of time as it desires, without compliance with the provisions of Section A of this Article XI. The foregoing shall not be deemed an assignment or sub-leasing of a villa, and shall be deemed to be in compliance with the provisions of the first paragraph of Article XIII of this Declaration.

The Management Firm is not authorized to designate the Association as the purchaser or lessee of a villa, and the Association's rights to designate itself as the purchaser or lessee of a villa, or designate a third person to purchase or lease a villa, shall be prior to the right of the Management Firm.

B. MORTGAGE AND OTHER ALIENATION OF VILLAS

1- A villa owner may not mortgage his villa, nor any interest therein, without the approval of the Association and the Management Firm, as long as the Management Agreement remains in effect, except to an Institutional Mortgagee, as hereinbefore defined. The approval of any other mortgagee may be upon conditions determined by the Board of Directors of the Association and the Management Firm, and said approval, if granted, shall be in recordable form, executed by two officers of the Association and an executive officer of the Management Firm.

2- No judicial sale of a villa, nor any interest therein, shall be valid, unless:

(a) The sale is to a purchaser approved by the Association and the Management Firm, as long as the Management Agreement remains in effect, which approval shall be in recordable form, executed by two Officers of the Association and an executive Officer of the Management Firm, and delivered to the purchaser; or,

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

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

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

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

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

If the Board of Directors of the Association and Management Firm shall consent, ownership of the Condominium parcel may be transferred to the person or persons so designated, who shall, thereupon, become the owner(s) of the Condominium parcel, subject to the provisions of the Enabling Declaration and the Exhibits attached thereto.

If, however, the Board of Directors of the Association or the Management Firm shall refuse to consent, then the members of the Association or the Management Firm shall be given an opportunity during thirty (30) days next after said last above mentioned thirty (30) days, within which to purchase or to furnish a purchaser for cash, of the said Condominium parcel, at the then fair market value thereof. Should the parties fail to agree on the value of such Condominium parcel, the same shall be determined by an Appraiser appointed by the Senior Judge of the Circuit Court in and for the area wherein the Condominium is located, upon ten (10) days' notice, on the petition of any party in interest. The expense of appraisal shall be paid by the said designated person or persons, or the legal representative of the deceased owner, out of the amount realized from the sale of such Condominium parcel. In the event the members of the Association, or the Management Firm, do not exercise the privilege of purchasing or furnishing a purchaser for said Condominium parcel within such period and upon such terms, the person or persons so designated may then, and only in such event, take title to the Condominium parcel; or, such person or persons, or the legal representative of the deceased owner may sell the said Condominium parcel, and such sale shall be subject in all other respects to the provisions of this Enabling Declaration and Exhibits attached hereto.

5- The liability of the villa owner under these covenants shall continue, notwithstanding the fact that he may have leased, rented or sub-let said interest, as provided herein. Every purchaser

tenant or lessee, shall take subject to this Declaration, the By-Laws and Articles of Incorporation of the Association, the Long-Term Lease and the Management Agreement, as well as the provisions of the Condominium Act.

6. Special Provisions re Sale, Leasing, Mortgaging or Other Alienation by Certain Mortgagees and Developer and the Management Firm and Lessor Under the Long-Term Lease.

(a) An Institutional First Mortgagee holding a mortgage on a Condominium parcel, or the Management Firm, or the Lessor under the Long-Term Lease, upon becoming the owner of a Condominium parcel through foreclosure, or by Deed in lieu of foreclosure, or whomsoever shall become the acquirer of title at the foreclosure sale of an Institutional First Mortgage or the lien for common expenses, or the lien under the Long-Term Lease, shall have the unqualified right to sell, lease or otherwise transfer said villa, including the fee ownership thereof, and/or to mortgage said parcel, without prior offer to the Board of Directors of the Association and the Management Firm, and without the prior approval of the said Board of Directors and the Management Firm. The provisions of Sections A and B, Nos. 1 to 5 of this Article XI, shall be inapplicable to such Institutional First Mortgagee, or the Management Firm or the Lessor under the Long-Term Lease, or acquirer of title, as aforescribed in this paragraph.

(b) The provisions of Sections A and B, Nos. 1 to 5, of this Article XI, shall be inapplicable to the Developer, Lessor under the Long-Term Lease and Management Firm. The said Developer, Lessor and Management Firm are irrevocably empowered to sell, lease, rent and/or mortgage Condominium parcels or villas, and portions thereof, to any purchaser, lessee or mortgagee approved by them, however, as to said Lessor, the foregoing shall be subject to the provisions of the Long-Term Lease. The Developer shall have the right to transact any business necessary to consummate sales or rentals of villas, or portions thereof, including but not limited to the right to maintain models, have signs, use the common elements, and to show villas. The sales office(s), signs, and all items pertaining to sales shall not be considered common elements, and shall remain the property of the Developer.

(c) In the event there are unsold parcels, the Developer retains the right to be the owner of said unsold parcels under the same terms and conditions as all other parcel owners in said Condominium; however, said Developer, for such time as it continues to be a parcel owner, but not exceeding twenty-four (24) months after the date of the filing of this Declaration, shall only be required to contribute such sums to the common expenses of the Condominium, in addition to the total monthly common expense assessments paid by all other parcel owners, as may be required for the Association to maintain the Condominium, as provided in this Declaration and Exhibits attached hereto, but in no event shall the Developer be required to contribute to the common expenses as to the parcels owned by it, in an amount exceeding the obligation for such villa, as specified and set forth in Exhibit "A" attached to this Declaration. Commencing twenty-four (24) months after the date of the filing of this Declaration of Condominium, the Developer shall contribute to the common expenses, as to the parcels owned by it, in the same manner as all other parcel owners, as provided in Exhibit "A" attached to this Declaration.

XII
INSURANCE PROVISIONS

A. LIABILITY INSURANCE:

The Management Firm, as long as the Management Agreement remains in effect and, thereafter, the Board of Directors of the Association, shall obtain Public Liability and Property Damage

Insurance covering all of the common elements of the Condominium and insuring the Association, the villa owners and the Management Firm as long as the Management Agreement remains in effect, and the common owners, as its and their interests appear, in such amounts and providing such coverage as the Management Firm, as long as the Management Agreement remains in effect and, thereafter, the Board of Directors of the Association, may determine from time to time, provided that the minimum amount of coverage shall be \$100,000/\$300,000/\$10,000. Premiums for the payment of such Insurance shall be paid by the Management Firm, as long as the Management Agreement remains in effect and, thereafter, by the Board of Directors of the Association, and such premiums shall be charged as common expense.

B. CASUALTY INSURANCE:

1- Purchase of Insurance: The Management Firm, as long as the Management Agreement remains in effect and, thereafter, the Association, shall obtain Fire and Extended Coverage Insurance and Vandalism and Malicious Mischief Insurance, insuring all of the insurable improvements within the Condominium, including personal property owned by the Association, in and for the interests of the Association, all villa owners and their mortgagees, as their interests may appear, in a Company acceptable to the standards set by the Management Firm, as long as the Management Agreement remains in effect and, thereafter, by the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value, as determined annually by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Management Firm, as long as the Management Agreement remains in effect and, thereafter, by the Association, and shall be charged as a common expense. The Company or Companies with whom the Management Firm, and thereafter, the Association, shall place its insurance coverage, as provided in this Declaration, must be good and responsible Companies, authorized to do business in the State of Florida.

The Institutional First Mortgagee owning and holding the first recorded mortgage encumbering a Condominium villa shall have the right, for so long as it owns and holds any mortgage encumbering a Condominium villa, to approve the Policies and the Company or Companies who are the Insurers under the Insurance placed by the Management Firm and, thereafter, by the Association, as herein provided, and the amount thereof, and the further right to designate and appoint the Insurance Trustee. At such times as the aforesaid Institutional First Mortgagee is not the holder of a mortgage on a villa, then these rights of approval and designation shall pass to the Institutional First Mortgagee having the highest dollar indebtedness on villas in the condominium property, and in the absence of the action of said Mortgagee, then the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall have said right, without qualification.

2- Loss Payable Provisions - Insurance Trustee: All Policies purchased by the Management Firm and, thereafter, by the Association, shall be for the benefit of the Association, and all villa owners, and their mortgagees, as their interests may appear. However, the Insurance Trustee shall be the named Insured, and it shall not be necessary to name the Association or the villa owners; however, Mortgagee Endorsements shall be issued. Such Policies shall be deposited with the Insurance Trustee (as hereinafter defined), who must first acknowledge that the Policies and any proceeds thereof will be held in accordance with the terms hereof. Said Policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee; namely, the Hollywood Bank and Trust Company or any Bank in Florida with trust

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powers as may be approved by the Management Firm, as long as the Management Agreement remains in effect and, thereafter, by the Board of Directors of the Association, which Trustee is herein referred to as the "Insurance Trustee" subject, however, to the paramount right of the Institutional Mortgagee specified in the preceding paragraph to designate and appoint the Insurance Trustee. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal or the sufficiency of Policies, nor for the failure to collect any insurance proceeds, nor for the form or content of the Policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Association and the villa owners and their respective mortgagees, in the following shares, but such shares need not be set forth upon the records of the Insurance Trustee:

(a) Common Elements. Proceeds on account of damage to common elements - an undivided share for each villa owner, such share being the same as the undivided share in the common elements appurtenant to his villa.

(b) Condominium Villas: Proceeds on account of Condominium villas shall be in the following undivided shares:

(1) Partial Destruction. When Villas are to be repaired and restored for the owners of the damaged villas, in proportion to the cost of repairing the damage suffered by each villa owner.

(2) Total Destruction of Condominium improvements, or where "very substantial" damage occurs and the Condominium improvements are not to be restored, as provided hereinafter in this Article - for the owners of all Condominium villas - each owner's share being in proportion to his share in the common elements appurtenant to his Condominium villa.

(c) Mortgagees: In the event a Mortgagee Endorsement has been issued as to a villa, the share of the villa owner shall be held in trust for the mortgagee and the villa owners as their interests may appear, provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

3- Distribution of Proceeds - Proceeds of Insurance Policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners, and expended or disbursed after first paying or making provision for the payment of the expenses of the Insurance Trustee in the following manner:

(a) Reconstruction or Repair: If the damage for which the proceeds were paid is to be repaired and restored, the remaining proceeds shall be paid to defray the cost thereof, as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittance to villa owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a villa and may be enforced by said mortgagee. Said remittances shall be made solely to an Institutional First Mortgagee when requested by such Institutional First Mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt.

(b) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the beneficial owners; remittances to villa owners and their mortgagees being payable jointly to them. This is a covenant

for the benefit of any mortgagee of a villa and may, be enforced by such mortgagee. Said remittances shall be made solely to an Institutional First Mortgagee when requested by such Institutional First Mortgagee whose mortgage provides that it has the right to require application of the Insurance proceeds to the payment of its mortgage debt. In the event of loss or damage to personal property belonging to the Association, and should the Board of Directors of the Association determine not to replace such personal property as may be lost or damaged, the proceeds shall be disbursed to the beneficial owners as surplus, in the manner elsewhere stated herein.

(c) Certificate. In making distribution to villa owners and their mortgagees, the Insurance Trustee may rely upon a Certificate of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, as to the names of the villa owners and their respective shares of the distribution, approved in writing by an Attorney authorized to practice law in the State of Florida, a Title Insurance Company or Abstract Company authorized to do business in the State of Florida. Upon request of the Insurance Trustee, the Management Firm, and thereafter, the Association, forthwith shall deliver such Certificate.

4. Loss Within a Single Villa. If loss shall occur within a single villa or villas, without damage to the common elements and/or the party wall between villas, the provisions of Article XII B. 5 below shall apply.

5- Loss Less Than "Very Substantial". Where a loss or damage occurs within a villa or villas, or to the common elements, or to any villa or villas and the common elements, but said loss is less than "very substantial", (as hereinafter defined), it shall be obligatory upon the Association and the villa owner(s) to repair, restore and rebuild the damage caused by said loss. Where such loss or damage is less than "very substantial".

(a) The Management Firm, as long as the Management Agreement remains in effect, acting on behalf of the Board of Directors of the Association, shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(b) If the damage or loss is limited to the common elements, with no, or minimum damage or loss to any individual villas and if such damage or loss to the common elements is less than \$3,000.00, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Management Firm, as long as the Management Agreement remains in effect, and thereafter, to the Association, and the Management Firm, and thereafter the Association, shall promptly contract for the repair and restoration of the damage.

(c) If the damage or loss involves individual villas encumbered by Institutional First Mortgages, as well as the common elements, or if the damage is limited to the common elements alone, but it is in excess of \$3,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, provided, however, that upon the request of an Institutional First Mortgagee, the written approval shall also be required of the Institutional First Mortgagee owning and holding the first recorded mortgage encumbering a Condominium villa, so long as it owns and holds any mortgage encumbering a Condominium villa. At such time as the aforesaid Institutional First Mortgagee is not the holder of a mortgage on a villa, then this right of approval and designation shall pass to the Institutional First Mortgagee having the highest dollar indebtedness on villas in the Condominium property. Should written approval be required, as aforesaid, it shall be said Mortgagee's duty to give written notice

thereof to the Insurance Trustee. The Insurance Trustee may rely upon the Certificate of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, and the aforesaid Institutional First Mortgagee's written approval, if said Institutional First Mortgagee's approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanic's liens to the Insurance Trustee, and execute any Affidavit required by law or by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, the aforesaid Institutional First Mortgagee and the Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the Institutional First Mortgagee whose approval may be required, as aforescribed, shall have the right to require the Management Firm, and thereafter, the Association, to obtain a Completion Performance and Payment Bond, in such form and amount, and with a Bonding Company authorized to do business in the State of Florida, as are acceptable to the said Mortgagee.

(d) Subject to the foregoing, the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors of the Association, shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(e) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof if the work has actually been done), the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall promptly, upon determination of the deficiency, levy a special assessment against all villa owners in proportion to the villa owner's share in the common elements, for that portion of the deficiency as is attributable to the cost of restoration of the common elements, and against the individual owners for that portion of the deficiency as is attributable to his individual villa; provided, however, that if the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors of the Association, finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to a specific individual damaged villa(s), then the Management Firm, as long as the Management Agreement, remains in effect, acting on behalf of the Board of Directors, shall levy an assessment for the total deficiency against all of the villa owners in proportion to the villa owners' share in the common elements, just as though all of said damage had occurred in the common elements. The special assessment funds shall be delivered to the Management Firm, and thereafter, the Association, to the Insurance Trustee, and added by said Insurance Trustee to the proceeds available for the repair and restoration of the property.

(f) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by special assessment within ninety (90) days after the casualty, so that sufficient funds are on hand to fully pay for such restoration and repair, then no mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan, provided, however, that this provision may be waived by the Board of Directors and the Management Firm, as long as the Management Agreement remains in effect, in favor of any Institutional First Mortgagee, upon request therefor, at any time. To the extent that any insurance proceeds are required to be paid over to such Mortgagee, the villa owner shall be obliged to replenish the funds so paid over, and said villa owner and his villa shall be subject to special assessment for such sum.

6- "Very Substantial" Damage. As used in this Declaration, or any other context dealing with this Condominium, the term, "very substantial" damage, shall mean loss or damage whereby three-fourths (3/4ths) or more of the total villa space in the Condominium is rendered untenable, or loss or damage whereby seventy-five percent (75%) or more of the total amount of insurance coverage (placed as per Article XII B. 1 becomes payable. Should such "very substantial" damage occur, then:

(a) The Management Firm, as long as the Management Agreement remains in effect, acting on behalf of the Board of Directors of the Association, shall promptly obtain reliable and detailed estimates of the cost of repair and restoration thereof.

(b) The provisions of Article XII B. 5(f), shall not be applicable to any Institutional First Mortgagee who shall have the right, if its mortgage so provides, to require application of the insurance proceeds to the payment or reduction of its mortgage debt. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors of the Association, shall ascertain as promptly as possible, the net amount of insurance proceeds available for restoration and repair.

(c) Thereupon, a membership meeting shall be called by the Management Firm, or by the Board of Directors of the Association to be held not later than sixty (60) days after the casualty, to determine the wishes of the membership with reference to the abandonment of the Condominium project, subject to the following:

(1) If the net insurance proceeds available for restoration and repair, together with the funds advanced by villa owners to replace insurance proceeds paid over to Institutional First Mortgagees, are sufficient to cover the cost thereof, so that no special assessment is required, then the Condominium property shall be restored and repaired, unless three-fourths (3/4ths) of the villa owners of this Condominium shall vote to abandon the Condominium project, in which case the Condominium property shall be removed from the provisions of the law by the recording of an instrument terminating this Condominium, in the Public Records of the County in which this Condominium is located, which said instrument shall further set forth the facts effecting the termination, certified by the Association and executed by its President and Secretary. The termination of the Condominium shall become effective upon the recording of said instrument, and the villa owners shall, thereupon, become owners as tenants in common in the property - i.e., the real, personal, tangible and intangible personal property, and the Association's interest in the Long-Term Lease, and any remaining structures of the condominium, and their undivided interests in the property shall be the same as their undivided interests in the common elements of this Condominium prior to its termination, and the mortgages and liens upon Condominium parcels shall become mortgages and liens upon the undivided interest of such tenants in common, with the same priority as existed prior to the termination of the Condominium.

(2) If the net insurance proceeds available for restoration and repair, together with funds advanced by villa owners to replace insurance proceeds paid over to Institutional First Mortgagees, are not sufficient to cover the costs thereof, so that a special assessment will be required, and if a majority of the villa owners of this Condominium vote against such special assessment and to abandon the Condominium project, then it shall be so abandoned and the Condominium property removed from the provisions of the law, and the Condominium terminated, as set forth in Paragraph 6 (c) (1) above, and the villa owners shall be tenants in common in the property in such undivided interests - and all mortgages and liens upon the Condominium parcels shall encumber the undivided interests of such tenants in common, as is provided in said Paragraph 6 (c) (1) above. In the event a majority of the villa owners of this Condominium vote in favor of special assessments, the Management Firm, as long as the Management Agreement remains in effect, acting on

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behalf of the Association, shall immediately levy such assessment and, thereupon, the Management Firm, as long as the Management Agreement remains in effect and thereafter, the Association, shall proceed to negotiate and contract for such repairs and restoration, subject to the provisions of Paragraph 5 (c) and (d) above. The special assessment funds shall be delivered by the Management Firm, and thereafter by the Association, to the Insurance Trustee and added by said Trustee to the proceeds available for the restoration and repair of the property. The proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property, as provided in Paragraph 5 (c) above. To the extent that any insurance proceeds are paid over to such Mortgagee, and in the event it is determined not to abandon the Condominium project and to vote a special assessment, the villa owner shall be obliged to replenish the funds so paid over to his Mortgagee, and said villa owner and his villa shall be subject to special assessment for such sum.

(d) In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association, shall be binding upon all villa owners.

7- Surplus. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from the Insurance proceeds; and if there is a balance in the funds held by the Insurance Trustee after the payment of all costs of the repair and restoration, such balance shall be distributed to the beneficial owners of the fund, in the manner elsewhere provided herein.

8- Certificate. The Insurance Trustee may rely upon a Certificate of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, of the Association, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Management Firm, and thereafter, the Association, shall forthwith deliver such Certificate.

9- Plans and Specifications. Any repair and restoration must be substantially in accordance with the Plans and Specifications for the original building, or as the building was last constructed, or according to the Plans approved by the Management Firm and the Board of Directors of the Association, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all Institutional First Mortgagees shall also be required.

10- Association's Power to Compromise Claim. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, is hereby irrevocably appointed Agent for each villa owner, for the purpose of compromising and settling claims arising under Insurance Policies purchased by the Management Firm, and thereafter, by the Association, and to execute and deliver Releases therefor, upon the payment of claims.

11- Institutional Mortgagee's Right to Advance Premiums. Should the Association fail to pay such premiums when due, or should the Association fail to comply with other insurance requirements of the institutional mortgagee holding the greatest dollar volume of villa mortgages, said institutional mortgagee(s) shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, said mortgagee shall be subrogated to the assessment and lien rights of the Association as against the individual villa owners for the payment of such item of common expense.

C. WORKMEN'S COMPENSATION POLICY. - to meet the requirements of law.

D. Such other Insurance as the Management Firm, as long as the Management Agreement remains in effect and, thereafter, the Board of Directors of the Association, shall determine from time to time to be desirable.

E. Each individual villa owner shall be responsible for purchasing, at his own expense, Liability Insurance to cover accidents occurring within his own villa, and for purchasing insurance upon his own personal property.

F. If available, and where applicable, the Management Firm, and thereafter, the Association, shall endeavor to obtain Policies which provide that the Insurer waives its right of subrogation as to any claims against villa owners, the Association, their respective servants, agents and guests, and the Management Firm.

XIII

USE AND OCCUPANCY

The owner of a villa shall occupy and use his villa as a single family private dwelling, for himself and the adult members of his family, and his social guests, and for no other purpose. No children under sixteen (16) years of age shall be permitted to reside in any of the villas or rooms thereof in this Condominium, except that children may be permitted to visit and temporarily reside for reasonable periods in any calendar year not to exceed thirty (30) days in any one calendar year.

The villa owner shall not permit or suffer anything to be done or kept in his villa which will increase the rate of insurance in the condominium property, or which will obstruct or interfere with the rights of other villa owners, or annoy them by unreasonable noises, or otherwise, nor shall the villa owners commit or permit any nuisance, immoral or illegal acts in or about the Condominium property.

No animals or pets of any kind shall be kept in any villa or on any property of the Condominium without the prior written consent of the Management Firm if the Management Agreement is in effect and thereafter from the Board of Directors of the Association.

The villa owner shall not cause anything to be affixed or attached to, hung, displayed or placed, on the exterior walls, doors or windows of the building(s); nor shall they place any furniture or equipment outside their villa, except with the prior written consent of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, of the Board of Directors, and further, when approved, subject to the Rules and Regulations adopted by the Management Firm or Board of Directors. No clothes line or similar device shall be allowed on any portion of the Condominium property, nor shall clothes be hung anywhere except where designated by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association.

The villa owner shall not plant any shrubs, trees, or plants in any of the Condominium areas nor shall the villa owner place any object of any kind on said condominium areas except with the prior written consent of the Management Firm as long as the Management Agreement remains in effect and thereafter by the Board of Directors of the Association.

No person shall use the common elements, or any part thereof, or a Condominium villa, or the Condominium property, or any part thereof, in any manner contrary to or not in accordance with such

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Rules and Regulations pertaining thereto, as from time to time promulgated by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Association.

XIV

MAINTENANCE AND ALTERATIONS

A. The Board of Directors of the Association may enter into a Contract with any firm, person or corporation, or may join with other Condominium Associations and entities in contracting for the maintenance and repair of the Condominium property(s) and other type properties, and may contract for or may join with other Condominium Associations in contracting for the management of the Condominium property(s) and other type properties, and may delegate to the Contractor or Manager, all the powers and duties of the Association, except such as are specifically required by this Declaration, or by the By-Laws, to have the approval of the Board of Directors or the membership of the Association. The Contractor or Manager may be authorized to determine the Budget, make assessments for common expenses and collect assessments, as provided by this Declaration, By-Laws, and Exhibits to the Declaration. The Association, through its Board of Directors, has entered into a Management Agreement, attached hereto as "Exhibit No. 5", which encompasses the provisions of this paragraph.

B. There shall be no alterations or additions to the common elements or limited common elements of this Condominium where the cost thereof is in excess of ten (10%) percent of the annual Budget of this Condominium for common expenses, as to this Condominium, and this Condominium's share of common expenses, excluding rent, as to the recreational facilities under the Long-Term Lease herein-after referred to, except as authorized by the Management Firm, as long as the Management Agreement remains in effect, and the Board of Directors, and approved by not less than seventy-five (75%) percent of the villa owners of this Condominium; provided the aforesaid alterations or additions do not prejudice the right of any villa owner, unless his consent has been obtained. The cost of the foregoing shall be assessed as common expenses. Where any alteration or additions, as aforescribed - i.e., as to common elements or limited common elements of this Condominium, are exclusively or substantially exclusively for the benefit of the villa owner(s) requesting same, then the cost of such alterations or additions shall be assessed against and collected solely from the villa owner(s) exclusively or substantially exclusively benefiting, and the assessment shall be levied in such proportion as may be determined as fair and equitable by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association. Where such alterations or additions exclusively or substantially exclusively benefit villa owners requesting same, said alterations or additions shall only be made when authorized by the Management Firm, as long as the Management Agreement remains in effect, and the Board of Directors, and approved by not less than seventy-five (75%) percent of the villa owners exclusively or substantially exclusively benefiting therefrom, and where said villa owners are ten (10) or less, the approval of all but one shall be required. The foregoing is subject to the written approval of the Management Firm.

1- There shall be no additions or alterations to the recreation facilities under the Long-Term Lease attached to this Declaration as Exhibit No. 4, except as provided for under Article VII of Exhibit No. 2, and the Long-Term Lease and Management Agreement, being, respectively, Exhibit No. 4 and Exhibit No. 5 attached to this Declaration.

2- Where the approval of villa owners for alterations to the common elements or limited common elements of this Condominium or

the recreation facilities is required in this Declaration and Exhibits attached hereto, the approval of Institutional First Mortgagees whose mortgages encumber Condominium parcels in this Condominium representing not less than seventy (70%) percent of the total unpaid dollar indebtedness as to principal on said parcels at said time, shall also be required.

C. Each villa owner agrees as follows:

- 1- To maintain in good condition and repair, his villa and all interior surfaces within or surrounding his villa, including, where applicable, the screened porch, and carport (such as the surfaces of the walls, ceiling and floors), whether or not part of the villa or the common elements, and the entire interior of his villa, and to maintain and repair the fixtures and equipment therein, which includes but is not limited to the following, where applicable - air conditioning and heating units, including condensers and all appurtenances thereto and wherever situated, refrigerators, stoves, fans, hot water heaters, dishwashers, disposals, washing machines and dryers, and all other appliances, drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the villa, electric panels, electric wiring and electric outlets and fixtures within the villa, and including those, where applicable, on the screened porch, and carport; interior doors, windows, screening and glass, including, where applicable, screening on the screened porch; sliding glass doors, including the operating mechanisms, all exterior doors, except the painting of exterior doors shall be a common expense of the Condominium; replace lights, where applicable, on the screened porch, and carport, and pay for all his utilities; i.e., electric, gas, water, sewage, and telephone. Where a villa is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the owner of said villa.
- 2- Not to make or cause to be made any structural addition or alteration to his villa or to the limited common elements or common elements. Alterations within a villa may be made with the prior written consent of the Management Firm and the Association, and all First Mortgagees holding a mortgage on his villa.
- 3- To make no alterations, decoration, repair, replacement or change of the common elements, limited common elements, or to any outside or exterior portion of the building, whether within a villa or part of the limited common elements or common elements. Villa owners may use such contractor or sub-contractor within their villas as are approved by the Management Firm, and said parties shall comply with all Rules and Regulations adopted by the Management Firm or Board of Directors. The villa owner shall be liable for all damages to another villa, the common elements or the Condominium property, caused by the villa owner's contractor, sub-contractor, or employee, whether said damages are caused by negligence, accident or otherwise. The contractor or sub-contractor aforementioned are to be union tradesmen where such services are unionized in the area of the Condominium.
- 4- To allow the Management Firm, the Board of Directors, or the agents or employees of the Management Firm or the Association, to enter into any villa for the purpose of maintenance, inspection, repair, replacement of the improvements within the villas, limited common elements or the common elements, or to determine in case of emergency, circumstances threatening villas, limited common elements or the common elements, or to determine compliance with the provisions of this Declaration and the By-Laws of the Association.
- 5- To show no signs, advertisements or notices of any type on the common elements, limited common elements, or his villa, and to erect no exterior antenna or aerials, except as consented to by

the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association.

D. In the event the owner of a villa fails to maintain the said villa and limited common elements, as required herein, or makes any alterations without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association, or the Management Firm on behalf of the Association, and on its own behalf, shall have the right to proceed in a Court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall have the right to levy an assessment against the owner of a villa, and the villa, for such necessary sums to remove any unauthorized structural addition or alteration, and to restore the property to good condition and repair. Said assessment shall have the same force and effect as all other special assessments. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall have the further right to have its employees or agents, or any sub-contractors appointed by it, enter a villa at all reasonable times, to do such work as is deemed necessary by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association, to enforce compliance with the provisions hereof.

E. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall determine the exterior color scheme of the building(s), and all exteriors, and shall be responsible for the maintenance thereof, and no owner shall paint an exterior wall, door, window, or any exterior surface, or replace anything thereon or affixed thereto, without the written consent of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association.

F. The Association shall be responsible for the maintenance, repair and replacement of the common elements, and all portions of the Condominium property not required to be maintained, repaired and/or replaced by the villa owner(s); however, said responsibility has been undertaken by the Management Firm, as long as the Management Agreement remains in effect, as provided in the Management Agreement attached hereto as Exhibit No. 5.

XV

LIMITED COMMON ELEMENTS

Those areas reserved for the use of each villa owner or a certain villa owner, to the exclusion of other villa owners, are designated as "limited common elements", and are shown and located on the Surveys annexed hereto as "Exhibit No. 1". Any expense for the maintenance, repair or replacement relating to limited common elements shall be treated as and paid for as part of the common expenses of the Association, unless otherwise specifically provided in this Declaration and Exhibits attached hereto. Should said maintenance, repair or replacement be caused by the negligence or misuse by a villa owner, his family, guests, servants and invitees, he shall be responsible therefor, and the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall have the right to levy an assessment against the owner of said villa, which assessment shall have the same force and effect as all other special assessments. Where the limited common element consists of a carport, the villa owner who has the right to the exclusive use of said carport and shall be responsible for the maintenance, care and preservation of the paint and surface of the interior walls, including floor and ceiling, within said exterior carport, and the replacement of light bulbs in said carport, and the wiring, electrical outlets and fixtures therein, if any. Where the

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limited common elements consist of the air conditioning unit and enclosure for said unit and for the refuse container, then the villa owner having the exclusive right of use of said air conditioning unit and enclosure for said unit and for the refuse container shall be responsible for the maintenance, repair and replacement of said air conditioning unit and enclosure and refuse container.

XVI

TERMINATION

This Condominium may be voluntarily terminated, in the manner provided for in Section 16 of the Condominium Act, at any time however, the written consent of the Management Firm, as long as the Management Agreement remains in effect, and the Lessor under the Long-Term Lease, shall also be required. In addition thereto, when there has been "very substantial" damage, as defined in Article XII B. 6, above, this Condominium shall be subject to termination, as provided in Article XII B. 6, and in this event, the consent of the Management Firm and Lessor under the Long-Term Lease shall not be required. In addition thereto, if the proposed voluntary termination is submitted to a meeting of the membership of the Association, pursuant to notice, and is approved in writing within sixty (60) Days of said meeting, by three-fourths (3/4ths) of the total vote of the members of the Association, and by all Institutional Mortgagees and the Management Firm, and the Lessor under the Long-Term Lease, then the Association and the approving owners, if they desire, shall have an option to purchase all of the parcels of the other owners within a period expiring one hundred twenty (120) days from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approvals shall be irrevocable. The option shall be exercised upon the following terms:

A. Exercise of Option. An Agreement to Purchase, executed by the Association and/or the record owners of the parcels who will participate in the purchase, shall be delivered by personal delivery or mailed by Certified or Registered Mail, to each of the record owners of the parcels to be purchased, and such delivery shall be deemed the exercise of the Option. The Agreement shall indicate which parcels will be purchased by each participating owner and/or the Association, and shall require the purchase of all parcels owned by owners not approving the termination, but the Agreement shall effect a separate contract between the seller and his purchaser.

B. Price. The sale price for each villa shall be the fair market value determined by agreement between the seller and the 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 Appraisers appointed by the Senior Judge of the Circuit Court in and for the area wherein the Condominium is located, on the Petition of the seller. The expenses of appraisal shall be paid by the purchaser.

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

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

XVII

LONG-TERM LEASE

The Association, as Lessee, has entered into a Long-Term Lease Agreement as to a non-exclusive undivided interest in and to the demised premises described therein, a copy of said Lease being

attached hereto as Exhibit No. 4, and made a part hereof, just as though said Lease were fully set forth herein. The Association has acquired the foregoing leasehold interest, pursuant to Florida Statute 711.121, and pursuant to said Statute and said Long-Term Lease, all monies due and to become due under the provisions of said Lease, including, without limitation, expenses of rent, taxes, assessments, insurance premiums, and costs of maintenance and repair, including the operation of said leased premises and all replacements and undertakings, and such other items as are specified in said Lease, are, and shall continue to be for the full term of said Lease, declared to be common expenses of the Condominium.

Each villa owner, his heirs, successors and assigns, agrees to make payment to the Association of his share of the monies due, pursuant to and in the amount, or proportion, or percentage amount, if so stated, as specified in said Long-Term Lease and this Declaration of Condominium. It shall be mandatory for the villa owner to make said payments, regardless of whether or not said villa owner uses the recreation facilities.

The Developer and the Association, by virtue of their execution of this Declaration of Condominium, and each villa owner, by virtue of his taking title to a Condominium parcel, agree that notwithstanding the fact that the Long-Term Lease is attached to this Declaration of Condominium and was recorded in the Public Records subsequent to the recording of this Declaration of Condominium that said Long-Term Lease shall be deemed to have been recorded in the Public Records prior to the recording of this Declaration of Condominium, and in order to secure the faithful performance of the Association's obligation to the Lessor under the Long-Term Lease, and to secure the villa owner's obligation to pay his share of the common expenses, including rent as to the Long-Term Lease, the Lessor under said Long-Term Lease shall have a lien on each Condominium parcel and all tangible personal property located in each Condominium villa in this Condominium, to the extent and as provided in said Long-Term Lease.

The villa owner shall be entitled to the use and enjoyment of the recreation area and facilities under the Long-Term Lease, subject to the Rules and Regulations promulgated by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, subject to the Rules and Regulations as promulgated by the Lessee(s) of said demised premises. However, all such rules and regulations shall be subject to the Lessor's approval and the paramount right of Lessor to enact, adopt and amend same.

Whenever any of the provisions of the Long-Term Lease and/or this Declaration and other Exhibits attached hereto, shall be in conflict, the provisions of the Long-Term Lease shall be controlling, and as between the Declaration of Condominium and other Exhibits attached hereto, excluding the Long-Term Lease, the provisions of the Declaration of Condominium, in case of conflict, shall be controlling.

Each villa owner, his heirs, successors and assigns, shall be bound by said Long-Term Lease, to the same extent and effect as if he had executed said Lease for the purposes therein expressed, including but not limited to:

A. Subjecting all of his right, title and interest in his Condominium parcel and tangible personal property therein, to the lien rights granted to the Lessor in said Long-Term Lease.

B. Adopting, ratifying, confirming and consenting to the execution of said Long-Term Lease by the Association.

C. Covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by villa owners in the cases provided therefor in said Long-Term Lease.

D. Ratifying, confirming and approving each and every provision of said Long-Term Lease, and acknowledging that all of the terms and provisions thereof are reasonable, including the rent thereunder.

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E. Agreeing that the persons acting as Directors and Officers of the Association entering into such Lease Agreement have not breached any of their duties or obligations to the Association.

F. It is specifically recognized that some or all of the persons comprising the original Board of Directors of the Association, are or may be stockholders, officers and directors of the Corporation which is Lessor under said Long-Term Lease, or beneficiaries of the Lessor entity, and that such circumstance shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Long-Term Lease, in whole or in part.

G. The acts of the Board of Directors and Officers of the Association in acquiring the non-exclusive leasehold interest under said Long-Term Lease, be and the same is hereby ratified, approved, confirmed and adopted.

XVIII

MANAGEMENT AGREEMENT

The Association has entered into a Management Agreement, a copy of which is annexed hereto as Exhibit No. 5, and made a part hereof.

The Association has delegated to the Management Firm the power of the Association, through its Board of Directors, to determine the Budget, make assessments for common expenses and collect assessments. Each villa owner, his heirs, successors and assigns, shall be bound by said Management Agreement for the purposes therein expressed, including but not limited to:

A. Adopting, ratifying, confirming and consenting to the execution of said Management Agreement by the Association.

B. Covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by villa owners in the cases provided therefor in said Management Agreement.

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

D. Agreeing that the persons acting as Directors and Officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.

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

F. The acts of the Board of Directors and Officers of the Association in entering into the Management Agreement, be and the same are hereby ratified, approved, confirmed and adopted.

The Association and villa owners further agree that the monthly assessments to be paid by villa owners for common expenses may include such special assessments incurred by a villa owner for charges for guests and invitees of said villa owner, or temporary residents in said villa, as to their use of the recreation facilities and for any special services and charges.

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XIX

MISCELLANEOUS PROVISIONS

A. Each villa owner, future villa owner, lessee, sub-lessee, heir or occupant, must obtain the approval of the Management Firm, as long as the Management Agreement remains in effect, as to the matters specified in Article XI hereof, and as provided herein. The approval of the Management Firm shall not be unreasonably withheld. The consent of the Board of Directors, in recordable form, in order to be deemed effective, shall be required to be approved by the Management Firm. The special provisions of Article XI B. 6 of this Declaration of Condominium shall be deemed applicable to this provision, and where prior offer and consent of the Board of Directors of the Association, as provided in said Article XI B. 6, is not required, the approval of the Management Firm, as required by this provision, shall not be required. The Management Firm may, by an instrument in writing, waive its required approval as to any matters specified in Article XI of this Declaration of Condominium.

B. The owners of the respective Condominium villas agree that if any portion of a Condominium villa or common element or limited common element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event a Condominium building or buildings are partially or totally destroyed and then rebuilt, the owners of the Condominium parcels agree that encroachments on parts of the common elements or limited common elements or Condominium villas, as aforedescribed, due to construction, shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist.

C. No owner of a Condominium parcel may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements or the recreation facilities, or by the abandonment of his Condominium villa.

D. The owners of each and every Condominium parcel shall return the same for the purpose of ad valorem taxes with the Tax Assessor of the County wherein the Condominium is situate, or for such other future legally authorized governmental officer or authority having jurisdiction over same. Nothing herein shall be construed, however, as giving to any villa owner the right of contribution or any right of adjustment against any other villa owner on account of any deviation by the taxing authorities from the valuation herein prescribed, each villa owner to pay ad valorem taxes and special assessments as are separately assessed against his Condominium parcel.

For the purpose of ad valorem taxation, the interest of the owner of a Condominium parcel, in his Condominium villa, and in the common elements, shall be considered a villa. The value of said villa shall be equal to the percentage of the value of the entire Condominium, including land and improvements, as has been assigned to said villa and as set forth in this Declaration. The total of all of said percentages equals 100% of the value of all of the land and improvements thereon.

E. All provisions of this Declaration and Exhibits attached hereto, and Amendments thereof, shall be construed as covenants running with the land, and of every part thereof and interest therein, including but not limited to every villa and the appurtenances thereto, and every villa owner and claimant of the property, or any part thereof, or of any interest therein, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of said Declaration and Exhibits annexed hereto and any Amendments thereof.

F. If any of the provisions of this Declaration, or of the By-Laws, the Articles of Incorporation of the Association, the Long-Term Lease, the Management Agreement, or of the Condominium Act, or any section, clause, phrase, word, or the application thereof, in any circumstance, is held invalid the validity of the remainder of this Declaration, the By-Laws, Articles of Incorporation, Long-Term Lease and Management Agreement, or the Condominium Act, and of the application of any such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

G. Whenever notices are required to be sent hereunder, the same may be delivered to villa owners, either personally or by mail, addressed to such villa owners at their place of residence in the Condominium, unless the villa owner has, by written notice duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association or Management Firm shall be given by the Affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary of the Association, at the Secretary's residence in the Condominium, or in case of the Secretary's absence, then the President of the Association at his residence in the Condominium, and in his absence, any member of the Board of Directors of the Association.

Notices to the Developer shall be delivered by mail at: Hollywood, Inc., 3325 Hollywood Boulevard, Hollywood, Florida.

Notices to the Management Firm shall be delivered by mail at: Hollywood, Inc., 3325 Hollywood Boulevard, Hollywood, Florida.

All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice, duly receipted for. Notices required to be given the personal representatives of a deceased owner or devisee, when there is no personal representative, may be delivered either personally or by mail, to such party at his or its address appearing in the records of the Court wherein the Estate of such deceased owner is being administered.

H. The Developer shall have the right to use a portion of the common elements and the Condominium property for the purpose of aiding in the sale of condominium villas including the right to use portions of the Condominium property for parking for prospective purchasers and such other parties as Developer determines. The foregoing right shall mean and include the right to display and erect signs, billboards and placards and store, keep and exhibit same and distribute audio and visual promotional materials upon the common element of the condominium property.

I. The "Remedy for Violation" provided for by Section 23 of the Condominium Act, shall be in full force and effect. In addition thereto, should the Association or the Management Firm, on behalf of the Association, or on its own behalf, find it necessary to bring a Court action to bring about compliance with the law, this Declaration and Exhibits attached to this Declaration, upon a finding by the Court that the violation complained of is willful and deliberate, the villa owner so violating shall reimburse the Management Firm and the Association for reasonable Attorney's Fees incurred by it in bringing such action, as determined by the Court.

J. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a condominium.

K. The captions used in this Declaration of Condominium and Exhibits annexed hereto, are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or Exhibits hereto annexed.

L. Where an Institutional First Mortgage, by some circumstance, fails to be a First Mortgage, but it is evident that it is intended to be a First Mortgage, it shall, nevertheless, for the purpose of this Declaration and Exhibits annexed, be deemed to be an Institutional First Mortgage.

M. If any term, covenant, provision, phrase or other element of the Condominium documents is held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever, any other term, provision, covenant or element of the Condominium documents.

N. The Developer specifically disclaims any intent to have made any warranty or representation in connection with the property or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of common expenses, taxes or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon except where same is specifically warranted or guaranteed. The Developer has constructed the buildings and improvements substantially in accordance with the Plans and Specifications on file in the Building and Zoning Department of the applicable Governmental authority, and as same have been modified, and this is the full extent of the Developer's liability and responsibility, the foregoing, where applicable, shall apply to the Lessor.

The Developer and, where applicable, the Lessor shall not be responsible for conditions resulting from condensation on or expansion or contraction of materials, paint over walls, both interior and exterior, loss or injury caused in any way by the elements; the water tightness of windows and doors, defects which are the result of characteristics common to the materials used, and damage due to ordinary wear and tear or abusive use, collection of water within the buildings or on any portion of the Condominium property and demised premises and improvements thereon nor anything of any type or nature except such items as are specifically delineated and agreed to in writing between the Developer and the individual villa owner and where applicable, agreed to in writing between the Lessor and the Condominium Association, and it shall be understood and agreed that the Developer and Lessor shall bear no responsibility in any way as to the matters provided in this paragraph to the Condominium Association. Guaranties have been obtained from all Sub-Contractors, such as the plumber, electrical air conditioning and roofer and warranties have been obtained from the manufacturer of all appliances and equipment, as specified by said manufacturer and sub-contractor, and it shall be the obligation of the Condominium Association and its members to enforce such Guaranties.

Condominium Association, by its execution of this Declaration of Condominium, approves the foregoing, and all of the covenants, terms and conditions, duties and obligations of this Declaration of Condominium and Exhibits attached thereto. The Condominium villa owners, by virtue of their acceptance of the Deed of Conveyance as to their Condominium villa, and other parties by virtue of their occupancy of villas hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration of Condominium and Exhibits attached thereto.

O. By way of clarification as to Article VII of this Declaration, the Long-Term Lease may be amended by an instrument

in writing, executed by the Lessor and the Condominium Association, by and through its Board of Directors and the Management Firm, except there shall be no Amendment affecting the Long-Term Lease which would change a villa owner's rent under the Long-Term Lease nor the manner of sharing common expenses under the Long-Term Lease, nor impair the rights of villa owners to the use and enjoyment of the recreational area and facilities, without the villa owners so affected and all record owners of Institutional Mortgages thereon, joining in the execution of said Amendment. The aforesaid Amendment shall be duly recorded in the Public Records of the County wherein the Condominium is located, and the recording of said Amendment shall constitute an Amendment to this Declaration of Condominium as to the provisions herein relative to said Long-Term Lease. Where the Developer continues to hold title to Condominium villas in this Condominium at the time of a proposed Amendment, as set forth in this paragraph, the approval, of the Developer shall be required. No Amendment, as set forth in this paragraph, shall change the provisions of the Long-Term Lease or this Declaration with respect to Institutional Mortgagees, nor shall such Amendment affect, impair or prejudice the validity, rights and priorities of any mortgages encumbering parcels in this Condominium. The Board of Directors of the Condominium Association are empowered and authorized, without the approval of the villa owners, to amend the Long-Term Lease and this Declaration, as contemplated in this paragraph "O".

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

Q. The term "recreation area and facilities", "recreation area", and "recreation facilities", where used throughout this Declaration of Condominium and Exhibits attached hereto, shall mean the demised premises under the Long-Term Lease attached to this Declaration.

R. The real property submitted to Condominium ownership herewith, is subject to conditions, limitations, restrictions, reservations of record, taxes, applicable zoning ordinances now existing or which may hereafter exist, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility service and drainage now existing or hereafter granted by the Developer for the benefit of such persons as the Developer designates, and the said Developer shall have the right to grant such easements and designate the beneficiaries thereof, for such time as it determines in its sole discretion, and thereafter, the Association shall be empowered to grant such easements on behalf of its members. During the period of time that the Developer has the right to grant the foregoing easements, the consent and approval of the Association and its members shall not be required. The right to grant the foregoing easements shall be subject to said easements not structurally weakening the building improvements upon the Condominium property nor unreasonably interfering with the enjoyment of the Condominium property by the Association's members.

IN WITNESS WHEREOF, HOLLYWOOD, INC., a Florida corporation, has caused these presents to be signed in its name by its proper officers, and its corporate seal affixed, this 2nd day of October, 1970.

Witnesses:

HOLLYWOOD, INC.

By W. D. HORVITZ
W. D. HORVITZ, President

Attest Stanley M. Beckerman
STANLEY M. BECKERMAN, Secretary

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared W. D. HORVITZ and STANLEY M. BECKERMAN, to me well known to be the persons described in and who executed the foregoing Declaration of Condominium, as President and Secretary respectively of HOLLYWOOD, INC., a Florida corporation, and they severally acknowledged before me that they executed such instrument as such Officers of said Corporation, and that the Seal affixed thereto is the corporate seal of the said corporation, and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal, at the state and county aforesaid, this 2nd day of October, 1970.

NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES SEPT. 5, 1974
BONDED THRU FRED W. DIESTELHORST

(Notary Seal)

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, EMERALD GREEN SECTION TWO, INC., a Florida corporation not for profit, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration of Condominium and Exhibits attached hereto.

IN WITNESS WHEREOF, EMERALD GREEN SECTION TWO, INC., a Florida corporation not for profit, has caused these presents to be signed in its name by its President, and its corporate seal affixed, attested by its Secretary, this 2nd day of October, 1970.

Witnesses:

EMERALD GREEN SECTION TWO, INC.

By John K. Brennan
JOHN K. BRENNAN, Vice President

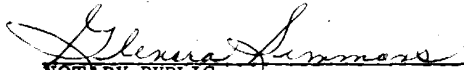
Attest Ross P. Beckerman
ROSS P. BECKERMAN, Secretary

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared JOHN K. BRENNAN and ROSS P. BECKERMAN, to me well known to be the persons described in and who executed the foregoing instruments as Vice President and Secretary respectively of EMERALD GREEN SECTION TWO, INC., a Florida corporation not for profit, and they severally acknowledged before me that they executed such instrument as such Officers of said corporation, and that the seal affixed thereto is the corporate seal of said corporation, and that it was affixed to said instrument by due and regular corporate authority, and that the said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal, at said county and state, this 2nd day of October, 1970.


NOTARY PUBLIC

My Commission Expires:

(Notary Public)

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES SEPT. 5, 1974
BONDED THRU FRED W. DIESTELHORST



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DECLARATION OF CONDOMINIUM

E X H I B I T A

CONDOMINIUM VILLA AND PARCEL NO.	PERCENTAGES OF UN- DIVIDED INTEREST IN COMMON ELEMENTS PER VILLA	EACH VILLA OWNER SHALL SHARE THE COMMON EXPENSES INCLUDING SHARE UNDER LONG-TERM LEASE EQUALLY		INITIAL MONTHLY RENT UNDER LONG- TERM LEASE PER VILLA
		*	PER VILLA	
Villa No. 14	5.55%		5.55%	\$ 30.00
Villa No. 15	5.55%		5.55%	30.00
Villa No. 16	5.55%		5.55%	30.00
Villa No. 17	5.55%		5.55%	30.00
Villa No. 18	5.60%		5.55%	30.00
Villa No. 19	5.55%		5.55%	30.00
Villa No. 20	5.60%		5.55%	30.00
Villa No. 21	5.55%		5.55%	30.00
Villa No. 22	5.55%		5.55%	30.00
Villa No. 23	5.55%		5.55%	30.00
Villa No. 24	5.55%		5.55%	30.00
Villa No. 25	5.55%		5.55%	30.00
Villa No. 26	5.55%		5.55%	30.00
Villa No. 27	5.55%		5.55%	30.00
Villa No. 28	5.55%		5.55%	30.00
Villa No. 29	5.55%		5.55%	30.00
Villa No. 30	5.55%		5.55%	30.00
Villa No. 50	5.55%		5.55%	30.00

VILLA OWNER'S SHARE OF COMMON EXPENSES UNDER THE LONG-TERM LEASE - is defined as the other expenses and obligations (excluding rent), payable by the Lessee under the said Lease, including, without limitation, taxes, assessments, insurance premiums and costs of maintenance and repairs. The total common expenses under the Long-Term Lease will be shared equally by each Villa owner.

The Lessor under the Long-Term Lease has the right to enter into Long-Term Lease Agreements with other Lessees and Condominium Association(s), as to an undivided interest in the demised premises described in Exhibit "A" of the Long-Term Lease, said Long-Term Lease being attached hereto as Exhibit No. 4, provided, however, that all members of the Lessee Condominium Association(s), including the Lessee Condominium Association in the Long-Term Lease attached hereto as Exhibit No. 4, share the common expenses under said Long-Term Lease(s) under the foregoing ratio as to the demised premises described in Exhibit "A" to the Long-Term Lease. All Villa owners shall pay said common expense under said Long-Term Lease in an equal amount.

* The percentages shown here are stated for illustration purposes only. It being expressly understood and agreed that each villa owner shall share equally in the common expenses and the fact that the percentages as aforesaid do not total 100.00% but total 99.90% shall not effect the validity of this Declaration nor change the fact that the total common expenses of this condominium shall be shared equally by each villa owner.

EXHIBIT A

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Page 2-33

STATE OF FLORIDA)
) SS
COUNTY OF BROWARD)

EXHIBIT 1 - CERTIFICATE

Description for
EMERALD GREEN SECTION
TWO, A CONDOMINIUM

A portion of Block 39, "HOLLYWOOD HILLS NORTH SECTION ONE", according to plat thereof recorded in Plat Book 66, page 20, of the public records of Broward County, Florida, being more particularly described as follows:

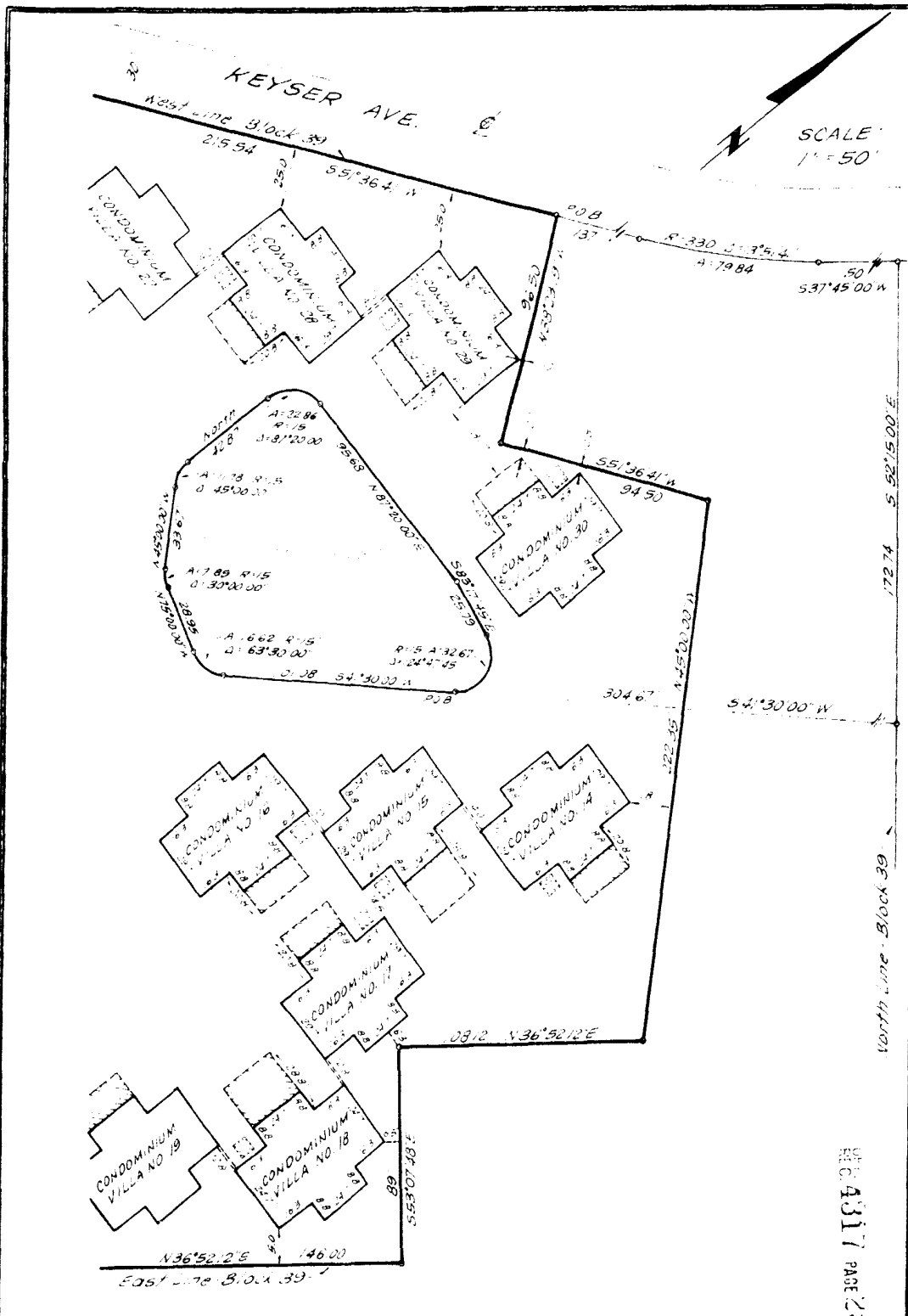
From the northernmost corner of said Block 39, run S.37°45' 00"W. along the west line of Block 39 a distance of 50 feet to a point of curvature; thence, southwesterly along said west line on a curve to the right having a radius of 330 feet and a central angle of 13°51'41" an arc distance of 79.84 feet to a point of tangency; thence, S.51°36'41"W. along said west line 137 feet to the point of beginning; thence, continue S.51°36'41"W. along said west line 215.54 feet; thence, S.38°23'19"E. 49.36 feet; thence, East 8.67 feet; thence, South 25.83 feet; thence, East 26.85 feet; thence, South 75.94 feet; thence, East 14.33 feet; thence, South 13.83 feet; thence, East 35.34 feet; thence, South 128.50 feet; thence, East 56.12 feet; thence, South 51.67 feet; thence, East 38.66 feet; thence, South 61.67 feet; thence, West 13.83 feet; thence, South 16.33 feet; thence, West 28.83 feet; thence, South 42.33 feet; thence, East 28.83 feet; thence, South 8.67 feet; thence, S.51°36'44"E. 39.38 feet; thence, N.38°23'16"E. along the east line of said Block 39 a distance of 243.56 feet; thence, N.36°52'12"E. along said east line 146.00 feet; thence, N.53°07' 48"W. 89.00 feet; thence, N.36°52'12"E. 108.12 feet; thence, N.45° 00'00"W. 222.35 feet; thence, S.51°36'41"W. 94.50 feet; thence, N.38°23'19"W. 96.50 feet to the point of beginning; excepting therefrom the following described parcel:

From the northernmost corner of said Block 39, run S.52°15'00"E. along the north line of Block 39 a distance of 172.74 feet; thence, S.41°30'00"W. 304.67 feet to the point of beginning; thence, continue S.41°30'00"W. 101.08 feet to a point of curvature; thence, westerly along a curve to the right having a radius of 15 feet and a central angle of 63°30'00" an arc distance of 16.62 feet to a point of tangency; thence, N.75°00'00"W. 28.95 feet to a point of curvature; thence, northwesterly along a curve to the right having a radius of 15 feet and a central angle of 30°00'00" an arc distance of 7.85 feet to a point of tangency; thence, N.45°00'00"W. 33.67 feet to a point of curvature; thence, northwesterly along a curve to the right having a radius of 15 feet and a central angle of 45°00'00" an arc distance of 11.78 feet to a point of tangency; thence, due north 42.87 feet to a point of curvature; thence, northeasterly along a curve to the right having a radius of 15 feet and a central angle of 87°20'00" an arc distance of 22.86 feet to a point of tangency; thence, N.87°20'00"E. 95.68 feet; thence, S.83°17'45"E. 25.79 feet to a point of curvature; thence, southerly along a curve to the right having a radius of 15 feet and a central angle of 124°47'45" an arc distance of 32.67 feet to a point of tangency and the point of beginning.

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SURVEY FOR :

EMERALD GREEN SECTION TWO,
A CONDOMINIUM



SCALE
1" = 50'

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TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY II, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above-ground encroachments except as shown. I further certify that the survey represented hereon meets the requirements of the Florida Land Title Association and that this plat is true and correct.

Dated at Hollywood, Broward County, Florida, this 21 day of SEPT. A.D. 1970.

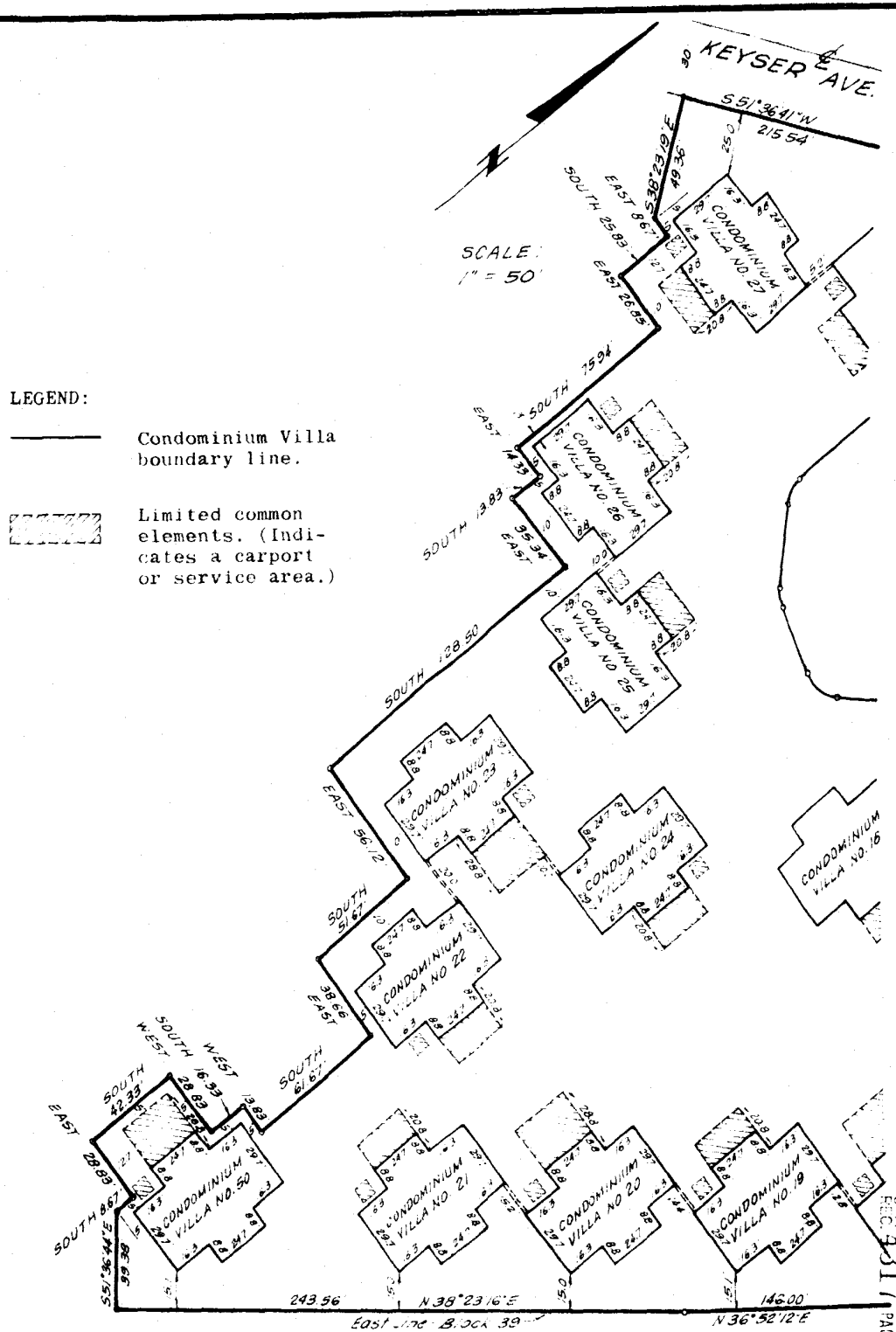
M. E. BERRY & ASSOCIATES
REGISTERED LAND SURVEYORS

2411 HOLLYWOOD BOULEVARD
HOLLYWOOD, FLORIDA

P.O. BOX 844
PHONE 923-6588

Maurice E. Berry II
MAURICE E. BERRY II
Registered Land Surveyor, No. 1122
STATE OF FLORIDA

SURVEY FOR :

EMERALD GREEN SECTION TWO.
A CONDOMINIUM

TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY II, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above-ground encroachments except as shown. I further certify that the survey represented hereon meets the requirements of the Florida Land Title Association and that this plat is true and correct.

Dated at Hollywood, Broward County, Florida, this 21 day of SEPT. A.D. 1970.

M. E. BERRY & ASSOCIATES
REGISTERED LAND SURVEYORS

2611 HOLLYWOOD BOULEVARD
HOLLYWOOD, FLORIDA

P. O. BOX 948
PHONE 923-6888

Maurice E. Berry II
MAURICE E. BERRY II
Registered Land Surveyor No. 1122
STATE OF FLORIDA

BY-LAWS

OF

EMERALD GREEN SECTION TWO, INC.
A FLORIDA NON-PROFIT CORPORATION

ARTICLE I

IDENTITY

The following By-Laws shall govern the operation of the Condominium created by the Declaration of Condominium to which these By-Laws are attached.

Emerald Green Section Two, Inc., is a Florida corporation not for profit, organized and existing under the laws of the State of Florida for the purpose of administering (but not exclusively unless so provided in the Association's Articles of Incorporation) the Condominium created by the Declaration of Condominium to which these By-Laws are attached.

Section 1. The Office of the Association shall be at the Condominium property, or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. The Seal of the Corporation shall bear the name of the Corporation, the word, "Florida", the words, "Corporation not for profit", and the year of incorporation.

Section 3. As used herein, the word, "Corporation", shall be the equivalent of "Association", as defined in the Declaration of Condominium to which these By-Laws are attached. All other words, as used herein, shall have the same definitions as attributed to them in the Declaration of Condominium to which these By-Laws are attached.

ARTICLE II

MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership in the Association shall be limited to owners of the Condominium villas in Condominium(s) wherein this Corporation has been designated the Association to operate and administer said Condominium by virtue of the Declaration of Condominium of said Condominium. Transfer of villa ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If villa ownership is vested in more than one person, then all of the persons so owning said villa shall be members eligible to hold office, attend meetings, etc., but, as hereinafter indicated, the vote of a villa shall be cast by the "voting member". If villa ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation as its "voting member".

Any application for the transfer of membership, or for a conveyance of an interest in, or to encumber or lease a Condominium parcel, where the approval of the Board of Directors of the Association and of the Management Firm, as long as the Management Agreement remains in effect, is required, as set forth in these By-Laws and the Declaration of Condominium to which they are attached, shall be accompanied by an application fee in an amount to be set by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association, to cover the cost of contacting the references given by the applicant, and such other costs of investigation that may be incurred.

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Section 2. VOTING

(a) The owner(s) of each Condominium villa shall be entitled to the number of votes equal to the total of the percentage of ownership in the common elements applicable of his villa ownership, as set forth in the Condominium's Declaration of Condominium. If a Condominium villa owner owns more than one villa, he shall be entitled to vote for each villa owned. The vote of a Condominium villa shall not be divisible.

(b) A majority of the villa owners' total votes shall decide any question, unless the Declaration of Condominium, By-Laws, Articles of Incorporation of the Association, Long-Term Lease, or Management Agreement provide otherwise, in which event the voting percentage required in the said Declaration of Condominium, By-Laws, Articles of Incorporation, Long-Term Lease, or Management Agreement, shall control.

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

Section 4. PROXIES. Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5.), and shall be filed with the Secretary prior to the meeting in which they are to be used, and shall be valid only for the particular meeting designated therein. Where a villa is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated

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

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

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

(c) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the villa vote, just as though he or she owned the villa individually, and without establishing the concurrence of the absent person.

ARTICLE III

MEETING OF THE MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at the Condominium(s) property, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of the meeting.

Section 2. Notices. It shall be the duty of the Secretary to mail or deliver a Notice of each annual or special meeting, stating the time and place thereof, to each villa owner of record, at least five (5) but not more than fifteen (15) days prior to such meeting. Notice of any special meeting shall state the purpose thereof. All Notices shall be mailed to or served at the address of the villa owner as it appears on the books of the Association.

Section 3. Annual Meeting. The annual meeting shall be held at 4:00 P.M., Eastern Standard Time, on the first Thursday in February of each year, for the purpose of electing Directors and transacting any other business authorized to be transacted by the members, provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next secular day following. At the annual meeting, the members shall elect by plurality vote (cumulative voting prohibited), a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

Section 4. Special Meeting. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing of voting members representing twenty-five percent (25%) of the villa owners' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the Notice thereof.

Section 5. Waiver and Consent Whenever the vote of members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than three-fourths (3/4ths) of the members who would have been entitled to vote upon the action if such meeting were held, shall consent, in writing, to such action being taken; however, Notice of such action shall be given to all members, unless all members approve such action.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Proviso. Provided, however, that until the first Thursday in February of such year as is five (5) years after the year in which these By-Laws are dated, or until the Developer elects to terminate its control of the Condominium, whichever shall first occur, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors of the Association, and should a meeting be called, the proceedings shall have no effect unless approved by the Board of Directors of the Association.

Section 8. Approval or Disapproval of a villa owner upon any matter, whether or not the subject of an Association meeting, shall be by the voting members, provided, however, that where a villa is owned jointly by a husband and wife, and they have not designated one of them as a voting member, their joint approval

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or disapproval shall be required where they are both present, or in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

Section 9. The Management Firm, as long as the Management Agreement remains in effect, shall be entitled to Notice of all Association meetings, and shall be entitled to attend the Association's meetings, and it may designate such person(s) as it desires to attend such meetings on its behalf.

ARTICLE IV.

DIRECTORS

Section 1. Number, Term and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3), nor more than seven (7) persons, as is determined from time to time by the members. All Directors shall be members of the Association provided, however, that until one of the events in Article III., Section 7. of these By-Laws first occurs, all Directors shall be designated by the Developer and need not be members. All Officers of a Corporate villa owner shall be deemed to be members of the Association so as to qualify as a Director herein. The term of each Director's service shall extend until the next annual meeting of the members, and thereafter, until his successor is duly elected and qualified, or until he is removed in the manner provided in Section 3. below.

Section 2. First Board of Directors.

(a) The first Board of Directors of the Association, who shall hold office and serve until the first annual meeting of members, and until their successors have been elected and qualified, shall consist of the following:

WILLIAM D. HORVITZ
JOHN K. BRENNAN
GEORGE LUCK
ROSS P. BECKERMAN
STANLEY M. BECKERMAN

(b) The organizational meeting of a newly elected Board of Directors of the Association shall be held within ten (10) days of their election, at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary, provided a quorum shall be present.

Section 3. Removal of Directors. At any time after the first annual meeting of the membership, at any duly convened regular or special meeting, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of the voting members, casting not less than two-thirds (2/3rds) of the total votes present at said meeting, and a successor may then and there be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 4. below.

Section 4. Vacancies on Directorate. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section 5. Disqualification and Resignation of Directors.

Any Director may resign at any time by sending a written notice of such resignation to the office of the Corporation, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the organizational meeting of a newly elected Board of Directors following the first annual meeting of the members of the Association, more than three (3) consecutive absences from regular meetings of the Board of Directors, unless excused by resolution of the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. Commencing with the Directors elected at such first annual meeting of the membership, the transfer of title of his villa by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No member shall continue to serve on the Board should he be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 6. Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall, nevertheless, be given to each Director personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President, and in his absence; by the Vice President, or by a majority of the members of the Board of Directors, by giving five (5) days' notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of special meetings shall state the purpose of the meeting.

Section 8. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the Minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

Section 10. Compensation. The Directors' fees, if any, shall be determined by the Voting Members.

Section 11. Provided, however, that until the first Thursday in February of such year as is five (5) years after the year in which these By-Laws are dated, or until the Developer elects to terminate its control of the Condominium, whichever shall first occur, all Directors shall be designated by the Developer and need not be owners of villas in the Condominium, and may not be removed by members of

the Association, as elsewhere provided herein; and where a vacancy occurs for any reason whatsoever, the vacancy shall be filled by the person designated by the Developer.

Section 12. The Management Firm, as long as the Management Agreement remains in effect, shall be entitled to notice of all Directors' meetings, and shall be entitled to attend the Directors' meetings and it may designate such person(s) as it desires to attend such meetings on its behalf.

Section 13. Powers and Duties. The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by the Declaration(s) of Condominium, this Association's Articles of Incorporation, or these By-Laws, directed to be exercised and done by villa owners. These powers shall specifically include, but shall not be limited to the following:

(a) To exercise all powers specifically set forth in the Declaration(s) of Condominium, this Association's Articles of Incorporation, in these By-Laws, and in the Condominium Act, and all powers incidental thereto.

(b) To make assessments, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Association, subject to the provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the project, and of the common areas and facilities, including the right and power to employ attorneys, accountants, contractors, and other professionals, as the need arises, subject to the delegation of the foregoing powers to the Management Firm, under the provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement.

(d) To make and amend regulations respecting the operation and use of the common elements and Condominium property and facilities, and the use and maintenance of the Condominium villas therein, and the recreational area and facilities, subject to the provisions of the Long-Term Lease attached to the Declaration of Condominium to which these By-Laws are attached. The foregoing is subject to the delegation of the said foregoing powers to the Management Firm, under the provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement.

(e) To contract for the management of the Condominium and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration(s) of Condominium to have approval of the Board of Directors or membership of the Association. To contract for the management or operation of portions of the common elements or facilities susceptible to the separate management or operation thereof, and to lease or concession such portions. The foregoing powers have been delegated to the Management Firm, under the provisions of the applicable Management Agreement.

(f) The further improvement of the Condominium property and demised premises under the Long-Term Lease which is attached to the Declaration of Condominium to which these By-Laws are attached, both real and personal, and the right to purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, and the right to acquire and enter into agreements pursuant to F. S. 711.121 Et Seq., and as amended, subject to the provisions of

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the applicable Declaration(s) of Condominium, this Association's Articles of Incorporation, and these By-Laws, and subject to the Long-Term Lease attached to the Declaration of Condominium to which these By-Laws are attached and the provisions of the applicable Management Agreement.

(g) Designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least three (3) members of the Association, one of whom shall be a Director. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular Minutes of their proceedings and report the same to the Board of Directors, as required. The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by villa owners when such is specifically required.

ARTICLE V

OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, two Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One person may not hold more than one of the aforementioned offices, except one person may be both Secretary and Treasurer. The President and Vice Presidents shall be members of the Board of Directors. Notwithstanding the foregoing, the restriction as to one person holding only one of the aforementioned offices or the President and Vice Presidents being members of the Board of Directors shall not apply until the time provided in Article III., Section 7., as determined by the Developer.

Section 2. Election. The Officers of the Association designated in Section 1 above, shall be elected annually by the Board of Directors, at the organizational meeting of each new Board following the meeting of the members.

Section 3. Appointive Officers. The Board may appoint Assistant Secretaries and Assistant Treasurers, and such other Officers as the Board of Directors deems necessary.

Section 4. Term. The Officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors, provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors (e.g., if the Board of Directors is composed of five persons, then three of said Directors must vote for removal). If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President He shall be the chief executive officer of the Association; he shall preside at all meetings of the villa owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice Presidents. They shall perform all of the duties of the President in his absence, and such other duties as may be required of them from time to time by the Board of Directors of the Association.

Section 7. The Secretary. He shall issue notices of all Board of Directors' Meetings and all meetings of the villa owners; he shall attend and keep the Minutes of same; he shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 8. The Treasurer.

(a) He shall have custody of the Association's funds and securities, except the funds payable to the Management Firm, as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each villa in the manner required by Section 11 (7) (B) of the Condominium Act.

(b) He shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association.

(c) He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(d) He shall give status reports to potential transferees on which reports the transferees may rely.

(e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

(f) The duties of the Treasurer may be fulfilled by the Management Firm employed by the Association, and the Management Firm, as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreements shall fulfill the duties of the Treasurer, as specified in said Management Agreement, and shall have custody of such books of the Association as it determines in its sole discretion, and the foregoing shall include any books required to be kept by the Secretary of the Association.

ARTICLE VI

FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in such Banks and depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two officers of the Association; provided, however, that the provisions of the Management Agreement between the Association and the Management Firm relative to the subject matter in this Section, shall supersede the provisions hereof.

Section 2. Fidelity Bonds. The Treasurer and all officers who are authorized to sign checks, and all officers and employees

of the Association, and any contractor handling or responsible for Association funds, shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such Bonds shall be paid by the Association. The Bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account; however, notwithstanding the foregoing, the Management Firm, under the terms of the Management Agreement, as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded, if any, among its employees.

Section 3. Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each year, provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable; provided, however, that the Management Firm, as long as the Management Agreement remains in effect, shall be authorized to set the fiscal year, as determined in its sole discretion.

Section 4. Determination of Assessments.

(a) The Board of Directors of the Association shall fix and determine from time to time, the sum or sums necessary and adequate for the common expenses of the Condominium. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common elements and the limited common elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, expenses under the Long-Term Lease, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Declaration of Condominium to which these By-Laws are attached, and the Long-Term Lease attached to said Declaration of Condominium. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments, and to lease, maintain, repair and replace the common elements and limited common elements of the Condominium and recreation facilities, subject, however, to the provisions of the Long-Term Lease. Funds for the payment of common expenses shall be assessed against the villa owners in the proportions or percentages of sharing common expenses, as provided in the Declaration. Said assessments shall be payable monthly in advance, and shall be due on the first day of each month in advance, unless otherwise ordered by the Board of Directors. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. The foregoing powers and duties of the Association have been delegated to the Management Firm, as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreements. All funds due under these By-Laws, the Long-Term Lease and the Management Agreement, which are attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement, and said Declaration of Condominium, are common expenses of this Condominium.

(b) When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each villa owner, a statement of said villa owner's assessment. All assessments shall be payable to the Treasurer of the Association and, upon request, said Treasurer shall give a receipt for each payment made to him.

(c) The provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement, shall supersede the provisions relative thereto in this Section and as to all Sections in Article VI. of these By-Laws. The Board of Directors has delegated the power and duty of making and collecting assessments to the Management Firm, as long as the Management Agreement remains in effect, and as provided in the Management Agreement, except, the Board of Directors retains the authority to make assessments as to the following:

(1) Special assessments for additional recreation or social activities.

(2) Acquisition of villas, as provided in Article IX. of these By-Laws, and pursuant to Article XIX.K of the Declaration of Condominium to which these By-Laws are attached, subject to the written approval of such parties as are specified therein.

(d) The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors, may, if it desires, adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds to cover current expenses, and which shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, (except expenditures chargeable to reserves, to additional improvements, or to operations); reserve for deferred maintenance which shall occur less frequently than annually; reserve for replacement - which shall include funds for repair or replacement required because of damage, depreciation or obsolescence; betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements or the recreation facilities under the Long-Term Lease; operations - the amount of which may be to provide working funds or to meet losses.

Section 5. Application of Payments and Co-Mingling of Funds. All sums collected by the Association from assessments, may be co-mingled in a single fund or divided into more than one fund, as determined by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association. All assessment payments by a villa owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, expenses and advances, and rent under the Long-Term Lease, as provided herein and in the Declaration of Condominium, and general or special assessments, in such manner and amounts as the Management Firm, as long as the Management Agreement remains in effect, determines in its sole discretion, and thereafter, as the Board of Directors determines in its sole discretion. The Management Firm may co-mingle the association's funds with the funds of others for whom it is acting as Manager.

Section 6. Acceleration of Assessment Installments Upon Default If a villa owner shall be in default in the payment of an installment upon any assessment, the Management Firm or the Board of Directors may accelerate the remaining monthly installments for the fiscal year, upon notice thereof to the villa owner and, thereupon the unpaid balance of the assessment shall become due upon the date stated in the Notice, but not less than fifteen (15) days after delivery of or the mailing of such notice to the villa owner.

Section 7. During the term of the Management Agreement, the Management Firm shall render to the Association a statement for each calendar year no later than April 1 next thereafter. The Management Firm shall perform a continual internal audit of the Association's financial records for the purpose of verifying the same but no

independent or external audit shall be required of it. During the term of the Management Agreement the Association may conduct an external audit by an independent auditor acceptable to the Management Firm at such reasonable time as the Management Firm shall agree to, provided however, said request for inspection is not made more than once in any calendar year and provided that the cost and expense of same is borne by the Association. Upon the termination of the Management Agreement, an audit of the accounts of the Association shall be made annually, as provided for in Article III. Section 7., of these By-Laws. Said audit shall be prepared by such Accountant as the Board of Directors determines, and a copy of said Report shall be available to the members of the Association in the Office of said Association, and with the Treasurer of the Association. Such Report shall be available not later than three (3) months after the end of the year for which the Report is made. The provisions of a Management Agreement applicable thereto shall supersede the foregoing.

ARTICLE VII

ADDITIONS OR ALTERATIONS

There shall be no additions or alterations to the common elements or limited common elements of the Condominium(s) which this Association operates and maintains, except as specifically provided for in said Condominium's Declaration of Condominium. There shall be no alterations or additions to the recreation facilities under the Long-Term Lease attached to the Declaration of Condominium to which these By-Laws are attached, where the cost thereof to said Condominium is in excess of twenty (20%) percent of said Condominium's share of common expenses as to the recreation facilities under the Long-Term Lease, excluding rent thereunder, unless the same is authorized by the Board of Directors of the Association, and the same is approved by not less than sixty (60%) percent of the total vote of the members of this Association, and the same is approved by all other Lessees of said demised recreation facilities, and provided all Lessees of said demised recreation facilities share in the cost of said additions or alterations and the maintenance thereof in the manner provided in Exhibit "A" of the Declaration of Condominium to which these By-Laws are attached, and further provided that said additions or alterations are approved by the Lessor of said demised recreation facilities. The Management Firm shall have the right to make assessments for additions or alterations to the common elements of said Condominium and to the recreation facilities under the Long-Term Lease aforesaid, without the approval of the Board of Directors of this Association and the members of this Association, provided said assessment therefor does not exceed the amount required herein and in the Declaration of Condominium to which these By-Laws are attached, and further provided that said assessment is in accordance with these By-Laws and said Declaration of Condominium and Long-Term Lease attached thereto.

ARTICLE VIII

COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation (other than the non-payment of an assessment) by the villa owner in any of the provisions of the Declaration of Condominium, of these By-Laws, or of the applicable portions of the Condominium Act, the Association, by direction of its Board of Directors, may notify the villa owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty

(30) days from date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, of the By-Laws, or of the pertinent provisions of the Condominium Act, and the Association may then, at its option, have the following elections:

(a) An action at law to recover for its damage, on behalf of the Association or on behalf of the other villa owners.

(b) An action in equity to enforce performance on the part of the villa owner; or

(c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Upon a finding by the Court that the violation complained of is willful and deliberate, the villa owner so violating shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from date of a written request, signed by a villa owner, sent to the Board of Directors, shall authorize any villa owner to bring an action in equity or suit at law on account of the violation, in the manner provided for in the Condominium Act. Any violations which are deemed by the Board of Directors to be a hazard to public health, may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the villa owner as a specific item, which shall be a lien against said villa with the same force and effect as if the charge were a part of the common expenses.

Section 2. Negligence or Carelessness of Villa Owner, etc. All villa owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any villa or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance company of rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said villa owner as a specific item, which shall be a lien against said villa with the same force and effect as if the charge were a part of the common expenses.

Section 3. Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a villa owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

Section 4. No Waiver of Rights. The failure of the Association or of a villa owner to enforce any 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 villa owner to enforce such right, provision, covenant or condition in the future.

Section 5. Election of Remedies. All rights, remedies and privileges granted to the Association or villa owner, pursuant to any terms, provisions, covenants or conditions of the Condominium documents, shall be deemed to 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 thus exercising the same from exercising such other and additional right, remedies or privileges as may be granted to such other party by Condominium documents, or at law or in equity.

Section 6. The Management Firm, as long as the Management Agreement remains in effect, shall act on behalf of the Board of Directors of the Association and on its own behalf, with the same power and authority granted to the Board of Directors of the Association as to all matters provided under this Article VIII., Sections 1 through 5 inclusive, and said Sections 1 through 6 inclusive of this Article VIII., shall be interpreted as including within the context of such Sections, violations of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement. Section 2 above shall also be interpreted as meaning and including said Condominium's property and the recreation facilities under the Long-Term Lease, both real and personal. The Management Firm may act upon its own determination or upon the determination and direction of the Board of Directors of the Association, as to Section 1 hereinabove. Should the Management Firm fail to act, as directed by the Board of Directors as to Section 1 above, the Board of Directors may act on their own behalf; however, due to the diverse types of situations that may arise between villa owners, stemming out of the alleged violations, the Management Firm shall not be liable or responsible to the Association, its Board of Directors or the villa owners, for its failure to act as directed by the Board of Directors, as to Section 1 hereinabove.

ARTICLE IX

ACQUISITION OF VILLAS

Section 1. Voluntary Sale or Transfer. Upon receipt of a villa owner's written notice of intention to sell or lease, as described in Article XI., of the Declaration of Condominium to which these By-Laws are attached, the Board of Directors shall have full power and authority to consent to the transaction, as specified in said Notice, or object to same for good cause, or to designate a person other than the Association as designee, pursuant to the provisions of said Article XI., without having to obtain the consent of the membership thereto. The Board of Directors shall have the further right to designate the Association as being "willing to purchase, lease or rent", upon the proposed terms, upon adoption of a resolution by the Board of Directors recommending such purchase or leasing to the membership, but notwithstanding the adoption of such resolution and such designation by the Board of Directors, the Association shall not be bound and shall not so purchase or lease, except upon the authorization and approval of the affirmative vote of voting members casting not less than sixty (60%) percent of the total votes of the villa owners present at any regular or special meeting of the villa owners wherein said matter is voted upon. The provisions of Article XI. of the Declaration of Condominium to which these By-Laws are attached or Article XI of any Declaration of Condominium to which these By-Laws are attached, and the provisions of the Management Agreement attached to the aforesaid Declaration of Condominium or any other applicable Management Agreement, shall supersede the provisions herein relative thereto.

Section 2. Acquisition on Foreclosure. At any foreclosure sale of a villa, the Board of Directors may, with the authorization and approval by the affirmative vote of voting members casting not less than sixty percent (60%) of the total votes of the villa owners present at any regular or special meeting of the villa owners wherein said matter is voted upon, acquire in the name of the Association, or its designee, a Condominium parcel being foreclosed. The term "foreclosure", as used in this Section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Condominium parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of the Association to do so at any foreclosure sale,

the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of villa owners at the foreclosure sale of a villa, due to the foreclosure of the Association's lien for assessments under the provisions of Article X. of the Declaration of Condominium to which these By-Laws are attached or Article X. of any Declaration to which these By-Laws are attached, notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

ARTICLE X

AMENDMENTS TO THE BY-LAWS

The By-Laws may be altered, amended or added to at any duly called meeting of the villa owners, provided:

(1) Notice of the meeting shall contain a statement of the proposed Amendment.

(2) If the Amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members, casting a majority of the total votes of the villa owners.

(3) If the Amendment has not been approved by the unanimous vote of the Board of Directors, then the Amendment shall be approved by the affirmative vote of the voting members casting not less than three-fourths (3/4ths) of the total votes of the villa owners' and,

(4) Said Amendment shall be recorded and certified, as required by the Condominium Act. Notwithstanding anything above to the contrary, until one of the events in Article III, Section 7., of these By-Laws occurs, these By-Laws may not be amended without a prior resolution requesting the said Amendment from the Board of Directors.

(5) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval when required of the parties specified in Article VIII of the Declaration of Condominium to which these By-Laws are attached or Article VIII, of any Declaration of Condominium to which these By-Laws are attached.

ARTICLE XI

NOTICES

Whatever notices are required to be sent hereunder, shall be delivered or sent in accordance with the applicable provisions for notices, as set forth in the Declaration(s) of Condominium to which these By-Laws are attached.

ARTICLE XII

INDEMNIFICATION

The Association shall indemnify every Director and every Officer, his heirs, executors and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association, including reasonable counsel fees to be approved by the Association, except as to matters wherein he shall be finally adjudged in such action, suit

or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XIII

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Condominium shall not relieve or release any such former owner or member from any liability or obligations incurred under or in any way connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIV

LIMITATION OF LIABILITY

Notwithstanding the duty of the Management Firm and the Association to maintain and repair parts of the Condominium property and where applicable the recreation facilities, the Management Firm and Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other owners or persons.

ARTICLE XV

PARLIAMENTARY RULES

Roberts Rules of Order (latest Edition) shall govern the conduct of the Association's meetings when not in conflict with the Condominium Act, the Declaration of Condominium, or these By-Laws.

ARTICLE XVI

LIENS

Section 1. Protection of Property. All liens against a Condominium villa other than for permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments upon a Condominium villa shall be paid before becoming delinquent, as provided in these Condominium documents or by law, whichever is sooner.

Section 2. Notice of Lien. A villa owner shall give notice to the Management Firm, as long as the Management Agreement remains in effect, and the Association, of every lien upon his villa, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien.

Section 3. Notice of Suit. Villa owners shall give notice to the Management Firm and the Association of every suit or other proceeding which will or may affect title to his villa or any part of the property, such notice to be given within five (5) days after the villa owner receives notice thereof.

Section 4. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

Section 5. Permitted Mortgage Register. The Association may maintain a register of all permitted mortgages, and at the request of a mortgagee, the Association shall forward copies of all notices for unpaid assessments or violations served upon a villa owner to said mortgagee. The Management Firm, as long as

the Management Agreement remains in effect, shall not be required to maintain a register, as provided herein. If a Register is maintained the Management Firm, as long as the Management Agreement remains in effect and thereafter, the Board of Directors of the Association may make such charge as it deems appropriate against the applicable villa for supplying the information provided herein.

ARTICLE XVII

RULES AND REGULATIONS

Section 1. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors may, from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the operation, use, maintenance, management and control of the common elements of the Condominium(s), and any facilities or services made available to the villa owners. A copy of the Rules and Regulations adopted from time to time, as herein provided, shall, from time to time, be posted in a conspicuous place.

Section 2. As to Condominium Villas. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors, may, from time to time, adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the Condominium villas, provided, however, that copies of such Rules and Regulations, prior to the time the same become effective, shall be posted in a conspicuous place on the Condominium's property, and/or copies of same shall be furnished to each villa owner.

Section 3. As to Recreation Areas and Facilities. The use of the recreation areas and facilities under the Long-Term Lease shall at all times be subject to such Rules and Regulations as the Management Firm, as long as the Management Agreement remains in effect, may establish from time to time in its sole discretion, and thereafter, subject to the Rules and Regulations promulgated by the Lessees of said recreation areas and facilities. Said recreation areas and facilities shall only be used by the villa owners and those persons permitted by the Management Firm, and thereafter, said Lessees, subject to the Rules and Regulations for said facilities. All children who are sixteen (16) years of age or under, must be accompanied by a responsible adult to the recreation areas and facilities. Any damage to equipment or the premises caused by a villa owner, his family, servants, guests, etc., shall be paid for by the villa owner responsible therefor, and the cost thereof shall be a charge and lien upon the villa owner's parcel as a special assessment. The foregoing provisions are further subject to the approval of the Lessor, and said Lessor shall have the paramount right, should it desire, to establish Rules and Regulations for the use of the recreation areas and facilities, and to determine who may use said facilities, and under what circumstances and conditions.

Section 4. Conflict. In the event of any conflict between the Rules and Regulations adopted, or from time to time amended, and the Condominium documents, or the Condominium Act, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and the Management Agreement, the provisions of the Management Agreement shall prevail, and as between these By-Laws and the Declaration(s) of Condominium, the provisions of said Declaration shall prevail.

APPROVED AND DECLARED as the By-Laws of EMERALD GREEN
SECTION TWO INC.

Dated this 2nd day of October, 1970.

ASSOCIATION

EMERALD GREEN SECTION TWO INC.

By W. D. Horvitz, President

Attest Ross P. Beckerman, Secretary

(Corporate Seal)



State of Florida

Department of State



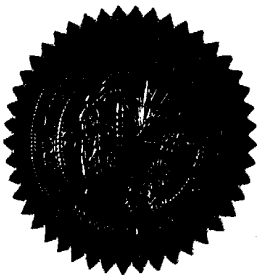
I, Tom Adams, Secretary of State of the State of Florida,
Do Hereby Certify That the following is a true and correct copy of

Certificate of Incorporation
of

EMERALD GREEN SECTION TWO, INC.

a corporation not for profit organized and existing under the Laws of the
State of Florida, filed on the 18th day of September
A.D., 1970 as shown by the records of this office.

Given under my hand and the Great Seal of the
State of Florida, at Tallahassee, the Capital,
this the 18th day of September
A.D. 1970



A handwritten signature in cursive script, reading "Tom Adams".

Secretary of State

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ARTICLES OF INCORPORATION
OF
EMERALD GREEN SECTION TWO, INC.

WE, the undersigned, hereby associate ourselves together for the purpose of forming a non-profit corporation under the laws of the State of Florida, pursuant to Florida Statutes 617 et seq., and certify as follows:

ARTICLE I

The name of this corporation shall be:

EMERALD GREEN SECTION TWO, INC.

ARTICLE II

The general purpose of this non-profit corporation shall be as follows: To be the "Association" (as defined in the Condominium Act of the State of Florida, F. S. 711 et seq.), for the operation of EMERALD GREEN SECTION TWO, a condominium, to be created pursuant to the provisions of the Condominium Act, and as such Association, to operate and administer said Condominium and carry out the functions and duties of said Condominium, as set forth in the Declaration of Condominium established for said Condominium.

ARTICLE III

All persons who are owners of Condominium parcels within said Condominium shall automatically be members of this Corporation. Such membership shall automatically terminate when such person is no longer the owner of a Condominium parcel. Membership in this Corporation shall be limited to such Condominium parcel owners.

Subject to the foregoing, admission to and termination of membership shall be governed by the Declaration of Condominium that shall be filed for said Condominium among the Public Records of Broward County, Florida.

ARTICLE IV

This Corporation shall have perpetual existence.

ARTICLE V

The names and residences of the Subscribers to these Articles of Incorporation, are as follows:

W. D. HORVITZ
JOHN K. BRENNAN
ROSS P. BECKERMAN

Address as to all Subscribers

3325 Hollywood Boulevard
Hollywood, Florida 33021

ARTICLE VI

Section 1. The affairs of the Corporation shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than the number specified in the By-Laws, and the exact number of persons as specified in said By-Laws. The Directors, subsequent to the first Board of Directors, shall be elected at the annual meeting of the membership, for a term of one (1) year, or until their successors shall be elected and shall qualify. Provisions for

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JAMES H. STEPHENS

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such election and provisions respecting the removal, disqualification and resignation of Directors, and for filling vacancies on the Directorate, shall be established by the By-Laws.

Section 2. The principal Officers of the Corporation shall be:

President
Two (2) Vice Presidents
Secretary
Treasurer

(the last two offices may be combined), who shall be elected from time to time, in the manner set forth in the By-Laws adopted by the Corporation.

ARTICLE VII

The names of the Officers who are to serve until the first election of Officers, pursuant to the terms of the Declaration of Condominium and By-Laws, are as follows:

W. D. HORVITZ	President
JOHN K. BRENNAN	Vice President
GEORGE LUCK	Vice President
ROSS P. BECKERMAN	Secretary
STANLEY M. BECKERMAN	Treasurer

ARTICLE VIII

The following persons shall constitute the first Board of Directors and shall serve until the first election of the Board of Directors at the first regular meeting of the membership:

W. D. HORVITZ	<u>Address as to All Directors</u>
JOHN K. BRENNAN	3325 Hollywood Boulevard
GEORGE LUCK	Hollywood, Florida 33021
ROSS P. BECKERMAN	
STANLEY M. BECKERMAN	

ARTICLE IX

The By-Laws of the Corporation shall initially be made and adopted by its first Board of Directors.

Prior to the time the property described in Article II hereinabove has been submitted to Condominium ownership by the filing of the Declaration of Condominium, said first Board of Directors shall have full power and authority to amend, alter or rescind said By-Laws by a majority vote.

After the property described in Article II has been submitted to Condominium ownership by the filing of the Declaration of Condominium, the By-Laws may be amended, altered, supplemented or modified by the membership at the annual meeting, or at a duly convened special meeting of the membership, attended by a majority of the membership, by vote, as follows:

- A. If the proposed change to the By-Laws has received the unanimous approval of the Board of Directors, then it shall require only a majority vote of the membership to be adopted.
- B. If the proposed change has not been approved by the unanimous vote of the Board of Directors, then the proposed change must be approved by a three-fourths (3/4ths) vote of the membership;

provided, however, that (1) - prior to the first annual meeting of the membership, the By-Laws may not be amended without a prior resolution requesting said amendment by the Board of Directors; and (2) - subsequent to the first annual meeting of the membership, the By-Laws may not be amended without the approval of the Board of Directors, unless the proposed amendment shall be filed in writing with the Secretary or the President, not less than ten (10) days prior to the membership meeting at which such amendment is to be voted upon. Provided, further, that after the property described in Article II hereinabove has been submitted to Condominium ownership, the By-Laws may only be amended with the written approval of the Management Firm referred to in the said Declaration of Condominium, as long as the Management Agreement remains in effect, and the written approval of the Lessor under the Long-Term Lease referred to in the said Declaration, and the written approval of the Developer referred to in the said Declaration, where said amendment changes the rights and privileges of the said Developer.

ARTICLE X

Amendments to these Articles of Incorporation may be proposed by any member or director, and shall be adopted in the same manner as provided for the amendment of the By-Laws, as set forth in Article IX hereinabove. Said amendment(s) shall be effective when a copy thereof, together with an attached Certificate of its approval by the membership, sealed with the Corporate Seal, signed by the Secretary or an Assistant Secretary, and executed and acknowledged by the President or Vice President, has been filed with the Secretary of State, and all filing fees paid.

ARTICLE XI

This Corporation shall have all of the powers set forth in Florida Statute 617.021, and all of the powers set forth in the Condominium Act of the State of Florida, and all powers granted to it by the Declaration of Condominium and Exhibits annexed thereto.

ARTICLE XII

There shall be no dividends paid to any of the members, nor shall any part of the income of the Corporation be distributed to its Board of Directors or Officers. In the event there are any excess receipts over disbursements, as a result of performing services, such excess shall be applied against future expenses, etc. The Corporation may pay compensation in a reasonable amount to its members, directors and officers, for services rendered, may confer benefits upon its members in conformity with its purposes, and upon dissolution or final liquidation, may make distribution to its members as is permitted by the Court having jurisdiction thereof, and no such payments, benefit or distribution shall be deemed to be a dividend or distribution of income.

This Corporation shall issue no shares of stock of any kind or nature whatsoever. Membership in the Corporation and transfer thereof, as well as the number of members, shall be upon such terms and conditions as provided for in the Declaration of Condominium and By-Laws. The voting rights of the owners of parcels in said Condominium property shall be as set forth in the Declaration of Condominium and/or By-Laws.

IN WITNESS WHEREOF, the Subscribers have hereunto set their hands and seals, this 15th day of September, 1970.

Signed, sealed and delivered in the presence of:

Eleadine B. Margenti
Gloria Simmons

W. D. HORVITZ SEAL

JOHN K. BRENNAN SEAL

ROSS P. BECKERMAN SEAL

STATE OF FLORIDA

COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared W. D. HORVITZ, JOHN K. BRENNAN, and ROSS P. BECKERMAN, who after being by me first duly sworn, acknowledge that they executed the foregoing Articles of Incorporation of EMERALD GREEN SECTION TWO, INC., a Florida corporation not for profit, for the purposes therein expressed.

WITNESS my hand and official seal, at Hollywood, Broward County, Florida, this 15th day of September, 1970.

Gloria Simmons
NOTARY PUBLIC

My Commission Expires:

(Notary Seal)

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES SEPT. 5, 1974
BONDED THRU FRED W. DIESTELHORST

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LONG-TERM LEASE

THIS LEASE, made and entered into on the date last appearing in the body of this instrument, by and between HOLLYWOOD, INC., a Florida corporation, as LESSOR, hereinafter called the LESSOR, and EMERALD GREEN SECTION TWO, INC., a non-profit Florida Corporation, as Lessee-Association, hereinafter called LESSEE, which said terms shall be deemed to extend to and include the successors and assigns of the said parties hereto.

W I T N E S S E T H:

That the Lessor and Lessee, for and in consideration of keeping by the parties of their respective obligations herein-after contained, as well as for One Dollar and other valuable considerations by each of the parties unto the other in hand paid simultaneously with the execution and delivery of these presents, the receipt whereof is hereby acknowledged, have agreed as follows:

I.

DEMISE

Upon the terms and conditions hereinafter set forth, and in consideration of the payment from time to time by the Lessee of the rents hereinafter set forth, and in consideration of the prompt performance continuously by the Lessee of each and every of the covenants and agreements hereinafter contained by the Lessee to be kept and performed, the performance of each and every one of which is declared to be an integral part of the consideration to be furnished by the Lessee, the Lessor does hereby lease, let and demise, but not exclusively so, and the Lessee does hereby lease of and from the Lessor, but not exclusively so, certain real property more particularly described in Exhibit "A" attached hereto and made a part hereof; together with all improvements, buildings and structures now or hereafter placed thereon, and all furniture, furnishings, fixtures, machinery, equipment, goods and personal property of every type and nature, now or hereafter brought or placed thereon or intended for use thereon, and all additions and accessions thereto, and any replacements thereof, all of which are herein called the "demised premises".

In addition to the demised premises as set forth in Exhibit "A", Lessor presently contemplates construction of additional recreation facilities in an additional location in an area near the said premises described in Exhibit "A" and if Lessor does construct said additional facility, then said premises by Amendment to this Lease shall be included in this Lease. Lessor shall let said additional premises to Lessee at no additional rent.

II

DURATION OF TERM

The term and duration of this Lease shall be for a period of time commencing as of the date hereof, and continuing up to and including the 31st day of December, 2068, unless this Lease be sooner terminated in accordance with its terms. This Lease may be renewed upon such terms and conditions as are mutually agreeable between the parties. This demise is subject to conditions, limitations, restrictions, reservations of record, easements, licenses now or hereafter granted by the Lessor, taxes, applicable zoning ordinances now existing or which may hereafter exist, this Lease and other Leases, and the Management Agreement referred to herein, and instruments creating rights to such persons or parties as the Lessor determines in and to the demised premises, in

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its sole discretion, as provided herein, all of which now exist or may hereafter exist during the term of this Lease, and mortgages now or hereafter of record which the Lessor shall pay according to their tenor, as provided herein.

III

RENT

The Lessee agrees to pay to the Lessor as rent during the term of this Lease, the sum of Five Hundred Forty (\$540.00) Dollars per month, said rent being payable monthly in advance, with the first monthly payment of rent maturing and becoming due as of the first day of the month following the date of this Lease. The monthly rent is subject to the increase of such sum in accordance with the provisions of Article XXV of this Lease.

A. Rent shall be payable at such place as the Lessor may specify in writing from time to time, and a place once specified as the place for payment of rent shall be such until it shall have been changed by written notice unto the Lessee by the Lessor, in the manner hereinafter prescribed for the giving of notices. All rent shall be payable without notice or demand to the order of the Lessor, or such party as it designates, and delivered or mailed to such address as the Lessor designates from time to time.

B. All rent shall be payable in current legal tender of the United States, as the same is constituted by law at the time said rent becomes due. If at any time the Lessor shall accept anything other than current legal tender as rent, such fact or such acceptance shall not be construed as varying or modifying such provisions of this paragraph as to any subsequently maturing rent, or as requiring the Lessor to make a similar acceptance or indulgence upon any subsequent occasion.

IV

PROVISIONS REGARDING PAYMENT OF TAXES

A. The Lessee covenants and agrees with the Lessor that the Lessee will promptly pay all taxes levied or assessed for and after the year last appearing in the body of this instrument, and during the term hereby demised, by any and all taxing authorities, and including not only ad valorem and personal property taxes, but also special assessments and liens for public improvements, and including in general, all taxes, tax liens, or liens in the nature of taxes, which may be assessed and imposed against the demised premises (including interest, penalties, fines and costs), but in the event any such taxes or assessments shall be payable according to their terms in installments, then the Lessee shall have the right to pay the same as such installments fall due, so long as the right to make payment of them in such installments has not been revoked or lost by reason of default in the payment of any installment.

B. Nothing in this Article IV contained shall obligate the Lessee to pay income, inheritance, estate or succession tax, or any tax in the nature of such described taxes, or any other tax which may be levied or assessed against the Lessor, with respect to or because of the income derived from this Lease; nor shall the Lessee be deemed obligated hereby to pay any corporation, franchise or excise taxes which may be assessed or levied against the Lessor or any corporate successor or successors in interest of the Lessor. The Lessee shall pay any tax in the form of a Sales or Use Tax as may be levied under the laws of Florida, or where a governmental authority requires an Intangible Tax or Documentary Stamp Tax to be paid on this Lease, the Lessee shall forthwith pay same.

C. The taxes shall be paid within thirty (30) days after the same become payable, in accordance with the law then in force and effect.

V

LESSOR'S INTEREST NOT SUBJECT TO MECHANIC'S LIENS

All persons to whom these presents may come are put upon notice of the fact that the Lessee shall never, under any circumstances, have the power to subject the interest of the Lessor in the demised premises to any mechanics' or materialmen's lien or liens of any kind.

All persons who may hereafter, during the term of this Lease, furnish work, labor, services or materials to the premises, upon the request or order of the Lessee, or any person claiming under, by or through the Lessee, must look wholly to the interest of the Lessee and not to that of the Lessor.

If any mechanics' liens are filed or asserted against the Lessor's or Lessee's interest in the subject premises, the Lessee shall, within thirty (30) days after the time when notice thereof shall come to their attention, cause such lien to be released from the Lessor's and Lessee's interest in the subject premises, in the manner provided by the statutes of the State of Florida.

VI

IMPROVEMENTS

The Lessor covenants and warrants unto the Lessee that it has caused to be constructed, or is in the process of causing to be constructed upon the aforescribed premises, certain recreation facilities, consisting of a swimming pool and sun deck area, pool house, bathroom facility, barbecue grill, together with equipment and personalty contained therein, and such other improvements and personalty as Lessor determines in its sole discretion. The foregoing shall not be at Lessee's expense. The Lessor shall be the sole judge of the size, contents, style, plans and specifications of all the aforesaid improvements, and the equipment and personalty contained therein.

Although all of the improvements may not have been completed at this time, the rent in the full amount, as provided in Article III above, shall be due and payable, as set forth therein, and the Lessee's obligations under this Lease shall commence as of the date of this Lease. The Lessor hereby represents unto the Lessee that the improvements contemplated herein will be substantially completed on or before two (2) years from the date of this Lease.

The Lessor and its designees shall have the right to use a portion of the demised premises for the purposes of aiding in the sale of the property which the Lessee has been organized to operate and sale of other property, including the right to use portions of the demised premises for parking by said parties, their agents, servants or employees, and prospective purchasers. The foregoing right shall mean and include the right to display and erect signs, billboards and placards, and store and keep and exhibit same, and distribute audio and visual promotional materials, which shall include the right to use portions of the improvements on the demised premises, and portions of the demised premises for display purposes. Notwithstanding the foregoing rights of use of the demised premises, as aforescribed, without any payment to the Lessee, there shall be no reduction, abatement or suspension of the rent set forth in Article III above, nor Lessee's obligations under this Lease, as provided hereinafter, and rent and obligations upon the Lessee shall commence as of the date of this Lease.

VII

USE OF PREMISES - LESSEE DOES NOT HAVE EXCLUSIVE
RIGHT OF POSSESSION

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It is understood and agreed between the parties hereto that the demised premises, during the continuance of this Lease, may be used and occupied by the Lessee on a non-exclusive basis, in common with such other persons, entities and corporations who may be other Lessees of the demised premises, primarily for recreation purposes, at all times subject to the Rules and Regulations promulgated by the Management Firm hereinafter specified in this Lease, as long as the Management Agreement remains in effect, and thereafter, by all of the Lessees of the demised premises; however, all such Rules and Regulations shall be subject to Lessor's approval and the paramount right of Lessor to enact, adopt and amend same. All Rules and Regulations shall be uniform as to Lessees. The Lessee does not have the exclusive right of possession. Lessee shall not perform nor permit its members nor their family, guests and invitees, to perform any acts or carry on any practices which may injure the demised premises or be a nuisance or menace to, or interfere with the rights of other Lessees of undivided interests in the demised premises, and persons entitled to the use of said demised premises.

The Lessor may, or shall have the right at any and all times during the term of this Lease, and from time to time, to further additionally lease, let and demise the demised premises to other Lessees, without the consent of the Lessee, and all such other Leases to other Lessees shall be valid for all intents and purposes therein expressed, and neither the granting of such Leases nor the creation of the leasehold estate therein from time to time shall invalidate this Lease or reduce or abate the rental due under the terms of this Lease from the Lessee to the Lessor, nor give the Lessee the right to avoid any of his covenants, agreements or obligations to be performed hereunder. The Lease, as to the demised premises given to other Lessees shall be generally in the form of this Lease (except with regard to the amount of rent set forth in Article III, above to be paid to the Lessor), to the end and extent that the use, occupancy and possession of the demised premises by any and all of such other Lessees shall be in recognition and co-extensive with the rights of this Lessee under this Lease and other Lessees under other Leases, so that the burden of this Lessee in keeping and performing his covenants and promises herein made, shall not be increased except as a greater use of the demised premises by reason of a greater number of Lessees in possession may inevitably and unavoidably require. No default by any other Lessee in the performance of any of his covenants and promises contained in his Lease, or any other act of omission or commission by any other Lessee shall be construed or considered (a) as a breach by the Lessee of any of his promises and covenants in this Lease made; or (b) as an actual, implied or constructive eviction of the Lessee from the demised premises by the Lessor, or anyone acting by, through or under, or for it; or (c) as an excuse, justification, waiver or indulgence by the Lessor to the Lessee of the Lessee's prompt, full, complete and continuous performance of his covenants and promises herein.

The demised premises are subject to such easements or licenses for public utilities as the Lessor has granted, and the Lessor, at all times, shall have the exclusive right to create upon or over the demised premises, public utility easements or licenses from time to time as the Lessor, in its discretion, shall deem appropriate, free and clear of the provisions of this Lease. Portions of the demised premises are subject to easements or licenses for rights-of-way for ingress and egress for the benefit of the Lessee herein, and other Lessees, and such other persons as the Lessor may designate from time to time, and for drainage purposes, and the Lessor shall have the right, during the term of this Lease, to relocate and change the size and dimensions of said easement or license areas including public utility easements and licenses and for such purposes as it deems advisable in its sole discretion. The Lessor

shall have the right, during the term of this Lease, to dedicate such easement and license areas including public utility easements and licenses as it desires, and the consent and approval of the Lessee, as to the provisions herein shall not be required. Notwithstanding the foregoing, there shall be no abatement or reduction of the rental due under the terms of this Lease from the Lessee to the Lessor, nor shall the foregoing give the Lessee the right to avoid any of its covenants, agreements or obligations to be performed under this Lease.

The Lessee, together with other Lessees, shall make deposits for and pay all bills and charges for all utilities and services used in and about the demised premises, including water, sewage, gas, electricity and telephone.

A portion of the demised premises may be used for vehicular parking by the Lessee and its members, and other Lessees, their guests and invitees, and others, on a temporary basis, under such terms, conditions, rules and regulations as the Management Firm shall determine in its sole discretion, as long as the Management Agreement remains in effect, and thereafter, with the joint consent and approval of a majority of the Lessees of the demised premises. Each Lessee has one vote as to the foregoing and as to all matters that require the approval of all Lessees of the recreation facilities, notwithstanding the number of villas that comprise the improvements on the Condominium property which the Lessee operates, or the Lessee's property, if not a Condominium. Such portion of the demised premises to be used for vehicular parking, as aforesaid, shall be determined in the sole discretion of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Lessees of the demised premises in the manner hereinbefore set forth.

The Lessor hereby grants unto the Management Firm the right to grant concessions and licenses to persons upon such terms and conditions and for such purposes as the Management Firm determines, to provide facilities and services on the demised premises for the said Lessees of the demised premises. The Management Firm shall also have the right, on behalf of the Lessees of the demised premises, to cause coin vending machines and coin operated equipment and pay telephones to be installed upon the demised premises in such locations as it determines, and to either purchase same on behalf of and at the cost and expense of the Lessees, or rent same, or enter into Agreements regarding same; however, all income derived by the Management Firm from the foregoing, as to the demised premises, shall inure to the benefit of the Lessees of the demised premises, and all expenses appertaining thereto shall likewise be borne by the Lessees of the demised premises. Notwithstanding the foregoing, there shall be no abatement or reduction of the rental due under the terms of this Lease from the Lessee to the Lessor, nor of the Lessee's obligations under the terms of this Lease.

The Management Firm may, in its sole discretion, provide for the use of certain portions of the demised premises for the Lessees of said demised premises, under such terms and conditions as the Management Firm deems advisable in its sole discretion, and such use may be conditioned upon the payment by the requesting party of additional compensation, and said additional compensation shall be chargeable as a special assessment of the Management Firm against the requesting party(s), in such amounts and proportions as the Management Firm determines.

The foregoing provisions of this Article VII are further subject to the paramount provisions in regard thereto hereinafter set forth in this Lease.

There shall be no abatement of rent for any cause or purpose whatsoever, nor shall the Lessee be relieved of any of his obligations under this Lease, except as provided in Article VIII hereinafter.

VIII

EMINENT DOMAIN

If any part of the demised premises shall be taken under the power of eminent domain, the rent and obligations of the Lessee under this Lease shall continue unaffected as to amount, unless if such portion of the demised premises is taken so as to completely destroy the usefulness of the demised premises for the purposes for which such premises were leased, then from that day, the Lessee shall have the right to terminate this Lease by written notice given by the Lessee to the Lessor, within thirty (30) days after such day, or to continue in the possession of an undivided interest in the remainder of the leased premises under all of the terms provided. All damages awarded for such taking shall belong to and be the property of the Lessor, whether such damages shall be awarded as compensation for diminution in the value of this Lease or the Lessor's interest in the demised premises. The taking of all or any part additional areas which may constitute the demised premises at any time, as provided hereinbefore, shall never be deemed a taking of such portion of the demised premises so as to completely destroy the usefulness of the demised premises for the purposes for which such premises were leased.

If the part of the demised premises, as provided above, taken under the power of eminent domain does not completely destroy the usefulness of the demised premises for the purposes for which such premises were leased, all sums awarded for the appropriation shall be payable to the Lessor and the Lessee shall not be entitled to any portion thereof. However, where the appropriation is as to a portion of a building, the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Lessees of the demised premises, at the cost and expense of the Lessees of the demised premises, shall restore that portion of the building not so taken, and where there is an appropriation of an entire building or improvement, or a portion thereof, which is not sufficient to terminate this Lease, as hereinbefore set forth, the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the said Lessees, at the cost and expense of the Lessees of the demised premises, shall endeavor to replace the appropriated building or improvement upon the remaining land area of the demised premises, in such size, dimension, contents, decor, plans and specifications as the Management Firm, and thereafter, the Lessees determine, subject to the approval of the Lessor. The time within which same shall be accomplished, shall be a reasonable time and shall be done as expeditiously as possible. The Lessor shall disburse the sums awarded for the appropriation to the Management Firm, as long as the Management Agreement remains in effect, and thereafter, to the Lessees of the demised premises, in such manner and under such terms and conditions as it determines in its sole discretion. Upon such restoration and replacement being completed, any balance of said award in the Lessor's possession shall be retained by Lessor as its property.

IX

INDEMNIFICATION AND INSURANCE PROVISIONS

A. Lessee covenants and agrees with Lessor that during the entire term of this Lease, the Lessee will indemnify and save harmless the Lessor against any and all claims, debts, demands or obligations which may be made against Lessor, or against Lessor's title in the premises, arising by reason of or in connection with

the making of this Lease and the ownership by Lessee of the interest created in the Lessee hereby, and if it becomes necessary for the Lessor to defend any action seeking to impose any such liability, Lessee will pay the Lessor all costs of Court and attorney's fees incurred by Lessor in effecting such defense, in addition to any other sums which the Lessor may be called upon to pay by reason of the entry of a Judgment against the Lessor in the litigation in which such claim is asserted.

B. The Management Firm shall cause the demised premises to be covered by Fire and Extended Coverage Insurance, in such amounts, in such form, and with such company(s) as the Lessor requires, and with a loss payable provision in favor of the Lessor - said Policy(s) to be for the interest of the Lessor and its mortgagees, as their interests may appear, and said Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Lessees of the demised premises, shall obtain a Comprehensive Public Liability Policy insuring the Lessor and Management Firm and the Lessees for liability arising out of the use and operation of the demised premises, in such amounts, in such form, and with such company(s) as the Lessor shall require. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Lessees, shall also obtain Workmen's Compensation Insurance and such other insurance as deemed advisable and as may be required by the Lessor, and as the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Lessees, determines to obtain in its sole discretion. The aforesaid Insurance Policies and coverage shall be obtained at the cost and expense of the Lessees of the demised premises.

C. In the event proceeds of insurance shall be payable under a Policy or Policies for Fire and Extended Coverage Insurance as to the demised premises, and as often as such insurance proceeds shall be payable, the same shall be paid to the Lessor, and said sums so paid shall be deposited by the Lessor in an account in a Bank in the State of Florida, as the Lessor determines, and such sums shall be available to the Management Firm, as long as the Management Agreement remains in effect, on behalf of the Lessees of the demised premises, and thereafter, shall be available to the Lessees of the demised premises, for the purposes of reconstruction, repair and replacements. Such sums shall be made readily available by the Lessor for such reconstruction, repair and replacement, and shall be paid out of said account from time to time by the Lessor in such amounts as it determines in its sole discretion. The extent of the reconstruction, repair and replacement shall be subject to the Lessor's approval. Should the Lessor determine at any time that there are not sufficient funds on hand in said Bank Account to pay for the reconstruction, repair and replacement in its entirety, the Lessees of the demised premises will immediately and forthwith deposit into said Bank Account such additional funds as may be reasonably required to pay for same, as determined by the Lessor. Upon completion of the reconstruction, repair and replacement, and the securing of such receipted bills and full and final waivers of lien, and such other documents as Lessor may require, if any, the remaining balance, if any, shall be retained by the Lessor as its property, unless the Lessees of the demised premises were required to deposit additional funds, as hereinbefore set forth, in which event the remaining funds shall be returned to the said Lessees.

D. Upon the occurrence of any damage to any portion of the demised premises and improvements thereon, and the furniture, furnishings, fixtures, appliances and equipment, and all personal property now or hereafter placed thereon, whether or not the casualty causing such damage is insured against, and whether or not, if insured, any proceeds are paid therefor, the foregoing provisions shall apply. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Lessees of the demised premises, at said Lessees' cost and expense, shall repair, reconstruct and replace any and all property and improvements thereon,

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both real and personal, so damaged, so as to restore the same in first class condition, as required by and approved by the Lessor. Such work shall commence no later than thirty (30) days after the occurrence of damage, and shall be completed no later than one-hundred eighty (180) days after date of commencement. The foregoing time limitations shall be extended due to any loss of time by reason of any act of nature, war, civil commotion and disorder, material shortages, strikes or other extenuating circumstances over which the Lessee has no control. Failure to comply with any of the provisions of this Article IX, shall be deemed a material breach of this Lease by the Lessee.

X

LESSOR'S LIEN FOR RENT

The Lessor shall have a first lien, paramount to all others, on every right and interest of the Lessee in and to this Lease, and on the buildings now or hereafter located on the premises, and on the furniture, furnishings, appliances, equipment, fixtures and goods of every kind, and on the equity therein, now or hereafter brought on the premises by the Lessee as a part of the goods and equipment used therein, and all additions and accessions thereto, which lien is granted for the purpose of securing the payment of rents, taxes, assessments, charges, liens, penalties and damages herein covenanted to be paid by the Lessee, and for the purpose of securing the performance of any and all and singular the covenants, conditions and obligations of this Lease to be performed and observed by the Lessee.

XI

LESSEE'S DUTY TO PAY INSURANCE PREMIUMS

A. Lessee covenants and agrees with the Lessor that the Lessee and other Lessees will pay the premiums for all Insurance Policies which they are obligated to carry under the terms of this Lease, and will deliver the said policies and the evidence of payment to the Lessor within the time hereinafter limited.

B. Nothing herein contained shall ever be construed as rendering the Lessor personally liable for the payment of any such insurance premiums but, if at any time during the continuance of this Lease, the Lessee shall fail, refuse or neglect to procure any of the Policies of Insurance required in and by this instrument to be procured by the Lessee, or to keep and maintain the same in full force and effect, or pay the premiums therefor promptly when due, the amount or amounts of money paid as the premium or premiums thereon, plus interest at the rate of ten (10%) percent per annum, shall be collectible as though it were rent then matured hereunder, and shall be due and payable forthwith, or in lieu thereof, and notwithstanding the procurement and renewal of such Policies by the Lessor, this Lease and the term created hereby may, at the option of the Lessor, be terminated and declared at an end, and all of the right, estate and interest of the Lessee hereunder, in such event, shall immediately cease and become null and void.

XII

LESSOR'S RIGHT TO ASSIGN AND ENCUMBER

The Lessor shall have the right to assign and encumber its interest under this Lease and to the demised premises, as herein provided.

A. Where the demised premises are subject to existing mortgages, the Lessor shall perform all of the covenants of the Mortgage thereon.

B. Further Mortgages. The Lessor shall have the right, at all times, to further and additionally mortgage and encumber its interest under this Lease and in and to the demised premises, and the Lessee's interest in and to the same shall at all times be

subordinate and inferior to those of such additional and further mortgages, provided that the Lessee shall at all times have the right to use, occupy and enjoy the demised premises, in accordance with the provisions of this Lease, so long as it shall perform all of its promises and covenants, as herein provided. The Lessee does hereby agree that it will, for itself (and if required by the mortgagees) and/or as agent for all of the Condominium parcel owners of the Condominium specified in the Declaration of Condominium to which this Lease is attached as Exhibit No. 4, and for each of their spouses, and for each owner of any other interest in the property of the Condominium, forthwith subordinate its and/or their respective interests in and to the demised premises and this Lease to any such mortgage, provided that by such joinder, the Lessee and/or the principals for which it shall have acted as agent shall not assume the obligations of the mortgagor, as the mortgagee may require.

C. Assignment. The Lessor may freely assign in whole or in part all or any part of its right, title and interest in and to this Lease and the demised premises, and in such event, Lessor shall be relieved of its liability under this Lease.

D. Assignment - Other. The Lessor may freely assign, conditionally or otherwise, and pledge in whole or in part all of its right, title and interest in and to this Lease and the demised premises, as additional security for a debt of the Lessor.

XIII

LESSEE'S RIGHT TO ASSIGN AND ENCUMBER

The Lessee shall have no right to mortgage or otherwise encumber any of its right, title and interest in and to this Lease or the demised premises, nor shall it have any right to assign the same or any part thereof.

XIV

BANKRUPTCY

Neither this Lease nor any interest therein nor any estate thereby created shall pass to any Trustee or Receiver or Assignee for the benefit of creditors, or otherwise, by operation of law without Lessor's approval. Should the Lessee be adjudged a bankrupt, or make a voluntary assignment for the benefit of creditors, or if a Receiver or Trustee in Bankruptcy be appointed for the property of the Lessee, and such Receiver or Trustee is not discharged within thirty (30) days after date of appointment, then the Lessor herein shall have the right, at its option, of terminating this Lease upon giving fifteen (15) days written notice to the Lessee of Lessor's election to exercise said option, and upon the expiration of such fifteen day period, this Lease shall cease and terminate.

XV

DEMOLITION, CONSTRUCTION AND ALTERATIONS

Lessee shall undertake no demolition, rebuilding or new construction on the demised premises, nor shall Lessee make any alteration in the buildings, structures or improvements now or hereafter located on the demised premises, without the prior written consent and approval of the Lessor, and upon such terms and conditions as the Lessor shall require. Nothing in this paragraph shall ever be construed to relieve Lessee of its obligation to maintain and repair the improvements located on the demised premises.

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XVI

DEFAULT CLAUSE

A. It is further covenanted and agreed by and between the parties hereto that in case, at any time, default shall be made by the Lessee in the payment of any of the rent herein provided for upon the day the same becomes due and payable, or in case of default in relation to liens, as hereinabove provided for, or if the Lessee shall fail to pay any of the taxes or assessments herein provided for, or in case of the sale or forfeiture of said demised premises, or any part thereof during said demised term for non-payment of any tax or assessment, or in case the Lessee shall fail to keep insured any building or improvements which may, at any time hereafter, be upon the said premises, as herein provided for, or shall fail to expend insurance money, as herein provided for, or if the Lessee shall fail to perform any of the covenants of this Lease by it to be kept and performed, then, and in any of such events, it shall be lawful for the Lessor, at its election, to declare said demised term ended, and to re-enter upon the said premises and the buildings and improvements situated thereon, or any part thereof, either with or without process of law, the said Lessee hereby waiving any demand for possession of said premises, and any and all buildings and improvements then situated thereon; or the Lessor may have such other remedies as the law and this instrument afford. The Lessee covenants and agrees that upon the termination of said demised term at such election, or in any other way, the Lessee will surrender and deliver up the premises and property (real and personal), peaceably to the Lessor, its agents or attorneys, immediately upon the termination of said demised term; and if the Lessee, its agents, attorneys or tenants shall hold the said premises, or any part thereof, one (1) day after the same should be surrendered according to the terms of this Lease, it shall be deemed guilty of forcible detainer of said premises under the statute and shall be subject to eviction or removal, forcibly or otherwise, with or without process of law.

B. Though this be a Long-Term Lease, the parties understand and agree that the relationship between them is that of Landlord and Tenant, and the Lessee specifically acknowledges that all statutory proceedings in the State of Florida regulating the relationship of Landlord and Tenant, respecting collection of rent or possession of the premises, accrues to the Landlord hereunder.

C. Nothing herein contained shall be construed as authorizing the Lessor to declare this Lease in default where the default consists in the non-payment of rent or taxes, until such non-payment shall, in violation of the terms of this Lease, have continued for fifteen (15) days after written notice of such default shall have been given by the Lessor to the Lessee; and where the alleged default consists of some violation other than the foregoing, the Lessor may not declare this Lease in default until such violation shall have continued for thirty (30) days after the Lessor shall have given the Lessee written notice of such violation, and Lessee shall not have undertaken, during said thirty-day notice period, to cure said violation by vigorous and affirmative action; provided, however, that nothing herein contained shall be construed as precluding the Lessor from having such remedy as may be and/or become necessary in order to preserve the Lessor's rights and the interest of the Lessor in the premises and in this Lease, even before the expiration of the grace or notice periods provided for in this paragraph if, under particular circumstances then existing, the allowance of such grace or the giving of such notice would prejudice or endanger the rights and estate of the Lessor in this Lease and in the demised premises.

D. All default and grace periods shall be deemed to run concurrently, and not consecutively.

E. It is mutually covenanted and agreed that the various rights, powers, options, elections, privileges and remedies of the Lessor contained in this Lease, shall be construed as cumulative, and no one of them shall be construed as being exclusive of the other or exclusive of any rights or priorities by law.

F. It is further covenanted and agreed by and between the parties hereto that the right given to the Lessor in this Lease to collect the rent that may be due under the terms of this Lease by any proceedings under the same, or the right to collect any additional rent, money or payments due under the terms of this Lease by any proceedings under the same, or the right given the Lessor to enforce any of the terms and provisions of this Lease, shall not in any way affect the rights of such Lessor to declare this Lease void and the term hereby ended, as herein provided, when default is made in the payment of said rent, or when default is made by the Lessee in any of the terms and provisions of this Lease.

G. If at any time, by reason of the failure of the Lessee to keep and perform any covenant or agreement which under the terms of this Lease the Lessee is bound and obligated to keep and perform, it becomes necessary for Lessor to employ an attorney to protect the rights and interests of the Lessor in the demised premises, or to enforce the terms and provisions of this Lease, or proceed under it in any particular - then in any of such event, the Lessee will owe and will pay unto Lessor all costs of Court and reasonable attorneys' fees incurred or expended by the Lessor in taking such actions.

H. It is further covenanted and agreed by and between the parties hereto that in the event of the termination of this Lease at any time before the expiration of the term of years hereby created, for the breach by the Lessee of any of the covenants herein contained, then all of the right, estate and interest of the Lessee in and under this Indenture and in the demised premises, and all improvements, buildings, and Lessee's interest in all furniture, furnishings, fixtures, appliances and equipment, and goods of every kind, and the equity therein, and all additions and accessions thereto, then situated in the said demised premises, together with all rents, issues and profits of the said premises and improvements thereon, whether then accrued or to accrue, and all Insurance Policies and all insurance monies paid or payable thereunder, and the then entire undisbursed balance of any building escrow fund, and the entire undisbursed balance of any then existing joint bank account which may have been created in connection with the collection of insurance, and all of them, shall at once pass to and become the property of the Lessor without any compensation therefor unto the Lessee - not as a penalty for forfeiture, but as liquidated and agreed damages to Lessor because of such default by Lessee and the consequent cancellation of the Lease - each of the parties acknowledging it to be the fact that for breach and consequent cancellation of a long-term lease of this character, the Lessor will sustain substantial damage of such character as to make it most burdensome and tedious, if not actually impossible, to ascertain with mathematical precision. Each of the parties, therefore, have agreed upon this provision for liquidated damages in the interests of obviating what would otherwise be burdensome and difficult litigation to maintain or to defend, as the case may be; and this provision for liquidated damages has been taken into account by both parties in fixing the terms of and the consideration for the making of this Lease.

I. The Lessee pledges with and assigns unto the Lessor, all of the rents, issues and profits which might otherwise accrue to the Lessee for the use, enjoyment and operation of the demised premises, and in connection with such pledging of such rents, the Lessee covenants and agrees with the Lessor that if the Lessor, upon the default of the Lessee, elects to file a suit in chancery

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to enforce or cancel the Lease and perfect the Lessor's rights thereunder, then the Lessor may, as ancillary to such suit, apply to any Court having jurisdiction thereof for the appointment of a Receiver of all and singular the demised premises, the improvements and builds located thereon, and the furniture, furnishings, fixtures, equipment, appliances and goods contained therein, and all additions and accessions thereto, and thereupon, it is expressly covenanted and agreed that the Court shall forthwith appoint a Receiver with the usual powers and duties of Receivers in like cases, and such appointment shall be made by such Court as a matter of strict right to the Lessor, and without reference to the adequacy or inadequacy of the value of the property which is subject to the Landlord's lien, or to the solvency or insolvency of the Lessee, and without reference to the commission of waste.

XVII

LESSEE'S DUTY TO KEEP PREMISES IN GOOD REPAIR

The Lessee covenants and agrees with the Lessor that during the continuation of this Lease, the Lessee will keep in good state of repair and in first class condition, any and all buildings now or hereafter constructed thereon, and all furniture, furnishings, fixtures, equipment, appliances and goods brought or hereafter placed upon the demised premises, and all additions and accessions thereto; nor will the Lessee suffer or permit any strip, waste or neglect of any building or goods to be committed; and the Lessee will repair, replace and renovate the said real property and goods as often as it may be necessary in order to keep the building or buildings and the goods which are subject to the Lessor's lien, in first class repair and condition.

XVIII

ADDITIONAL COVENANTS OF THE LESSEE

The Lessee is an Association formed to conduct and administer the affairs of the Condominium specified in the Declaration of Condominium to which this Lease is attached as Exhibit No. 4, and such other Condominiums as may be provided in the Association's Articles of Incorporation.

The Lessee-Association agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Lease - it being understood and agreed that this Lease is for the benefit of the members of the said Lessee-Association, and said Lessee-Association understands and agrees that its undertakings as set forth in this Lease, is an essential consideration flowing to the Lessor without which this Lease would not have been made.

The Lessee covenants and agrees with the Lessor that the premises will be used for legal purposes only.

The Lessee covenants and agrees with the Lessor that no damage or destruction to any building or improvement, by fire, windstorm, or any other casualty shall be deemed to entitle the Lessee to surrender possession of the premises or to terminate this Lease, or to violate any of its provisions, or to cause any abatement or rebate in the rent then due or thereafter becoming due under the terms hereof; and if the Lease is cancelled for the Lessee's default, at any time while there remains outstanding any obligation from any insurance company to pay for the damage or any part thereof then the claim against the insurance company shall, upon the cancellation of the within Lease, be deemed to become the absolute and unconditional property of the Lessor.

The Lessee covenants and agrees with the Lessor that nothing in this Lease contained shall ever be construed as empowering the Lessee to encumber or cause the Lessor to encumber the title or interest of the Lessor.

The Lessee covenants and agrees with the Lessor that at the termination of this Lease, the Lessee will peaceably and quietly deliver unto the Lessor, possession of the premises and all buildings and improvements located thereon, as well as all fixtures and equipment appertaining thereto.

XIX

COVENANT OF QUIET ENJOYMENT

The Lessor covenants and agrees with the Lessee that so long as the Lessee keeps and performs all of the covenants and conditions by the Lessee to be kept and performed, the Lessee shall have quiet and undisturbed and continuous possession of the premises, freed from all claims against the Lessor and all persons claiming by, through or under the Lessor, subject only to the rights of other Lessees to use, occupy and enjoy the same, and the rights of the Lessor, and the rights of the Management Firm, as long as the Management Agreement remains in effect, as provided in this Lease.

XX

LESSOR'S RIGHT OF ENTRY

The Lessor, or its agents, shall have the right to enter upon the demised premises at all reasonable times to examine the condition and use thereof, provided only that such right shall be exercised in such manner as not to interfere with the Lessee in the conduct of Lessee's business on said premises. If the said premises are damaged by fire, windstorm or by any other casualty which causes the premises to be exposed to the elements, then the Lessor may enter upon the premises to make emergency repairs, but if the Lessor exercises its option to make emergency repairs, such act or acts shall not be deemed to excuse the Lessee from its obligation to keep the premises in good repair and the Lessee shall, upon demand of the Lessor, reimburse the Lessor for the cost and expense of such emergency repairs, and such costs and expense shall be collectible as though the same were rent then matured under this Lease.

XXI

MISCELLANEOUS PROVISIONS

It is mutually covenanted and agreed by and between the parties, as follows:

A. That no waiver of a breach of any of the covenants in this Lease contained shall be construed to be a waiver of any succeeding breach of the same covenant.

B. That time is of the essence in every particular, and particularly where the obligation to pay money is involved.

C. That all arrearages in the payment of rent or in the repayment to the Lessor of any sum which the Lessor may have paid in order to cure a default of the Lessee, or to make emergency repairs (as elsewhere provided for herein) shall bear interest from the date when due and payable at the rate of ten (10%) percent per annum until paid.

D. That no modification, release, discharge or waiver of any provisions hereof shall be of any force, effect or value, unless in writing, and signed by the parties who are then Lessor and Lessee.

E. That all covenants, promises, conditions and obligations herein contained or implied by law, are covenants running with the land and shall attach to and be binding upon the heirs, executors, administrators, successors, legal representatives and assigns of each of the parties of this Lease.

F. That this instrument contains the entire agreement between the parties as of this date, and that the execution hereof has not been induced by either of the parties by representations, promises or understandings not expressed herein, and that there are no collateral agreements, stipulations, promises or understandings whatsoever between the respective parties in any way touching the subject matter of this instrument, which are not expressly contained in this instrument.

G. That where, under the terms of this Lease, it is incumbent upon either side to do or perform an act, such act shall be done and performed promptly.

H. The invalidity, in whole or in part, of any covenant, promise or undertaking, or any paragraph, sub-paragraph, sentence, clause, phrase or word, or of any provision of this Lease, shall not affect the validity of the remaining portions thereof.

I. This Lease is to be construed in accordance with the laws of the State of Florida.

J. No modification, release or discharge or waiver of any provision hereof shall be of any force, effect or value, unless in writing, signed by the Lessor.

K. The Lessee shall not do or suffer any waste or damage, disfigurement or injury to the demised premises or to any improvements and appurtenances thereto, and any personal property now or hereafter placed or brought thereon.

L. This Lease shall be deemed and construed as a "net" Lease and Lessor shall receive all rents and all other payments to be made hereunder by the Lessee, free from any charges, assessments, impositions, expenses or deductions of any kind and of every kind and nature whatsoever.

M. Should the Lessee receive rent due under this Lease from its members, and fail to make payment thereof to the Lessor of any installment of rent, within ten (10) days of the date the same shall become due, or if the Lessee defaults as to any of the terms and conditions of this Lease to be kept and performed by the Lessee, the Lessor may accelerate the rental due under this Lease for the ensuing twelve (12) months, upon notice thereof to the Lessee, and thereupon, said sum shall be due upon the date stated in the notice, but not less than ten (10) days after delivery or mailing of such notice to the Lessee. Should a member of the Lessee-Association fail to cause the rent payment due hereunder to be paid to the Lessor, either by failure to pay the same to the Lessee, or by failure of the Lessee to make such payment to the Lessor within ten (10) days from the date when rent was due and payable, the Lessor may, at its discretion, levy a late charge of \$25.00 against said member of the Lessee-Association, which sum shall thereupon be due and payable. This late charge may be assessed against each member of the Lessee-Association who fails to make his rent payment within the time provided herein, or where the Lessee-Association receives said payment, but fails to pay same to the Lessor within the time provided herein, and said late charge shall be in addition to any

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late charge provided for in the Declaration of Condominium to which this Lease is attached. Should a member of the Lessee-Association fail to cause the rent to be paid within ten (10) days of the date the same becomes due, the Lessor may accelerate the rental due under this Lease as to said member's condominium villa for the ensuing twelve (12) months, upon notice thereof to said villa owner, and thereupon, said sum shall be due upon the date stated in the notice, but less than ten (10) days after delivery or mailing of such notice to said villa owner. Notice shall be deemed delivered upon the mailing thereof in a United States mail box, with postage prepaid, addressed to said villa owner at his address in the Condominium created by virtue of the Declaration of Condominium to which this Lease is attached as Exhibit No. 4.

N. The word "Lessor", shall mean the Lessor under this Lease; the word "Lessee", or "Lessee-Association", shall mean the Lessee Florida non-profit Corporation under this Lease; the words "members of the Lessee", or "members of the Lessee-Association", shall mean the members of the Lessee under this Lease who became members by virtue of owning a Condominium villa in the Condominium described in the Declaration of Condominium to which this Long-Term Lease is attached; the words "Management Firm" shall mean the Management Firm described in the Management Agreement, marked Exhibit No. 5, which is attached to the Declaration of Condominium to which this Lease is attached. The foregoing word(s), wherever and whenever used herein, shall include the singular or plural thereof, and the use of any gender shall include all genders wherever the same shall be appropriate.

O. A portion of the recreation facilities shall be used for the parking of vehicles on a temporary basis, under such rules and regulations as the Management Firm promulgates, as long as the Management Agreement remains in effect, and thereafter, as determined by the Lessees.

XXII

NOTICE

Whenever, under this Lease, a provision is made for notice of any kind, it shall be deemed sufficient notice and service thereof if such notice to the Lessee is in writing, addressed to the Lessee, at the address described in the Declaration of Condominium to which this Lease is attached as Exhibit No. 4, and sent by certified mail with postage prepaid, or by personal delivery thereof to any Director or Officer of the Lessee; and if such notice be to the Lessor, it shall be in writing addressed to the Lessor at such address as the Lessor may from time to time designate, and said notice is sent by certified mail with postage prepaid and if such notice be to the Management Firm, it shall be in writing addressed to the Management Firm, addressed to said party at such address as said party may from time to time designate and said notice is sent by certified mail with postage prepaid.

XXIII

LIEN UPON CONDOMINIUM UNITS AS SECURITY

Exhibit "A" to the Declaration of Condominium to which this Lease is attached, contains a listing of each Condominium villa located on the Condominium property described in said Declaration of Condominium, together with its share of the monthly rental payable hereunder, and its prorata share (stated percentage-wise or as a proportion) of the other expenses or obligations payable by the Lessee hereunder, including, without limitation, taxes, assessments, insurance premiums, and costs of maintenance and repair, as well as the prorata share of any other Lessees. The number of Condominium villas in the Declaration of Condominium to which this Lease is attached, shall not be increased nor decreased, nor shall the designation of each villa by number, as set forth therein, be changed during the term of this Lease, without the Lessor's prior written consent.

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Pursuant to the general plan of condominium ownership, each individual villa owner, in addition to receiving title to his individual villa and to a percentage of the common elements appurtenant thereto, shall become a member of the Lessee-Association, and each member of the Lessee-Association shall have the right to use and enjoy the recreational facilities. Accordingly, for and in consideration of the Lessor's agreement to allow each member of the Lessee-Association to use and enjoy the subject recreational facilities, the Lessee does hereby covenant and warrant unto the Lessor that prior to admitting any individual into the association, it will gain from said individual a pledge of said individual's interest in his subject condominium villa in favor of the Lessor as security for the Lessee's obligations hereunder and the obligation by the villa owner in the Condominium to pay his pro rata share of all condominium common expenses of which the rental under this Lease is a part thereof. Attached hereto, marked "Exhibit B", is a copy of the Pledge Agreement required to be executed by each villa owner in a condominium, and the Lessor and the Lessee agree to the terms, conditions, and form thereof.

In the event a villa owner fails to pay his aforescribed common expenses for any period of time, the Lessor, in consideration of the aforescribed villa owner's pledge, understands and agrees to accept a lesser amount of rental hereunder from the Lessee for the said period of time equal to the rental for that particular villa as provided for in Article III hereinabove. Conversely, upon the delinquent villa owner's paying all of his unpaid common expenses or upon the delinquent villa owner's interest in the Condominium being transferred or sold, whether as a result of the Lessor's foreclosing the subject pledge or otherwise, then and in such event, the rental shall be increased by an amount equal to the villa owner's pro rata share of the rental provided for in Article III hereinabove. In the event a delinquent villa owner pays all of his common expenses and becomes current, then the Lessee shall be responsible to the Lessor to pay and shall pay over to the Lessor a sum of money equal to the rental reduction granted to the Lessee as a result of the delinquency of said villa owner.

It is mutually recognized and agreed by and between the Lessor and Lessee herein that in the event any villa owner is delinquent as aforescribed, this shall not preclude the other villa owners of the Condominium from the use of the recreational facilities. It shall be the obligation, however, of the Lessee to enforce the collection of the assessments pertaining to the recreational facilities which are a part of the common assessments and expenses of the Condominium.

In order to provide to each villa owner a reasonable and convenient method to avoid the results he may suffer due to the default by the Lessee-Association in the payment of its rental obligation hereunder, the Lessor and the Lessee mutually agree that at the option of either a villa owner or the Lessor any member of the Lessee-Association may or must pay his monthly obligation (as calculated in Article III above) directly to the Lessor each month, and such monthly payment will (1) insulate and preclude the member villa owner from any liability hereunder, and (2) insulate and preclude the member from any liability under his individual Pledge Agreement, and (3) preclude the member from being deprived of the use of the recreational facilities, provided, of course, that the member paying directly to the Lessor each month is (A) current at all times with regard to the payment of his pro rata share of all other lawful charges, taxes, assessments, levies, liabilities, and encumbrances of the Association; and (B) current at all times with regard to all other lawful charges, taxes, assessments, levies, liabilities, and encumbrances levied or existing against his condominium parcel; and (C) not in

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default of any of his obligations pursuant to the Declaration of Condominium of the condominium where his villa is located and all Exhibits attached thereto.

Of course, it is mutually understood and agreed to by and between the Lessor and the Lessee that all moneys paid directly to the Lessor by an individual villa owner as aforescribed shall serve to reduce the Lessee's monthly obligation for the payment of rental hereunder in an amount equal to the sum so directly paid to Lessor by the individual villa owner.

The lien hereinabove granted shall be for the unpaid amount of rent and/or pro-rata share of the obligations under this Lease attributable to such villa, together with interest thereon, and all sums advanced and paid by the Lessor for taxes and payments on account of a superior mortgage, lien or encumbrance, which may be advanced by the Lessor in order to preserve and protect its lien, and reasonable attorneys' fees incurred in the collection and enforcement thereof.

The lien herein granted shall accrue against each Condominium villa severally and may be enforced against only those Condominium villas whose owners have not paid the rent or the pro-rata share of the obligations otherwise attributable to such villas. The lien shall be for the amount of such unpaid sums, together with interest thereon, and all sums advanced and paid by the Lessor for taxes and payments on account of a superior mortgage, lien or encumbrance, which may be advanced by the Lessor in order to preserve and protect its lien, and reasonable attorneys' fees incurred in the collection and enforcement thereof. This lien is and shall be for all time inferior and subordinate to an Institutional First Mortgagee's mortgage lien encumbering a Condominium villa, to the extent that the liens provided for under this Long-Term Lease shall be inferior to said Institutional First Mortgagee's mortgage lien with such effect that when such Institutional First Mortgagee obtains title to such Condominium parcel, as a result of the foreclosure of its mortgage, or accepts a Deed in lieu of foreclosure, such Institutional Mortgagee, or other purchaser at the foreclosure sale, his grantees, heirs, successors and assigns, shall not be liable for the rent and share of common expenses under this Long-Term Lease which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such Deed in lieu of foreclosure; and said Institutional First Mortgagee's mortgage lien shall be a prior lien as to the encumbered parcel as to any common surplus of the Condominium and any proceeds from any and all Insurance Policies, or proceeds from any other source; however, this subordination shall not have the effect of terminating and extinguishing the liens under this Lease or this Lease itself as to a Condominium parcel, except to the extent specifically provided herein. The provisions of Article XXVI of this Long-Term Lease are paramount to the foregoing provisions in regard to subordination. The provisions of the fourth paragraph on Page 17 of the Lease as to subordination for Institutional Mortgagees are paramount and in addition to the foregoing subordination provisions. Regardless of when said Institutional First Mortgage is executed and the mortgage lien created, or for what purpose, the provisions herein shall be self-operative.

Upon full payment of arrearages, advances as set forth in the preceding paragraph, interest and costs (including attorneys' fees), the party making payment shall be entitled to a recordable Satisfaction discharging the lien as to such arrearages, advances, interest and costs only; however, such Satisfaction shall in no way diminish or extinguish the lien hereby created as to any other amounts due or to become due, and said lien shall continue throughout the term. The parties understand and agree that the Lessor's lien, as provided for herein, is a continuing lien and shall be

in force and effect during the life of this Lease. The liens hereby given may be foreclosed either in the manner in which a mortgage on real property is foreclosed, or alternately, at the option of the Lessor, in the manner in which statutory liens on real property are foreclosed, or at the further option of the Lessor, by any other remedy available to the Lessor for the foreclosure of said liens.

The term "Institutional First Mortgage", as used herein and throughout this Long-Term Lease, shall mean a First Mortgage upon a single Condominium villa originally granted to and owned by an Institutional Mortgagee, as defined in the Declaration of Condominium to which this Long-Term Lease is attached as Exhibit No. 4.

For and in consideration of the granting to the Lessor of the liens hereinabove described, together with the remedies for their enforcement, as hereinabove set forth, the Lessor hereby agrees that it will not terminate or cancel this Lease by statutory summary proceedings, or otherwise, because of the Lessee's failure to pay the sums provided and reserved to be paid hereunder; provided said liens together with the remedy for their enforcement, as hereinabove set forth, remain available to and enforceable by the Lessor.

The Lessor hereby covenants that the Lessor's liens provided for in this Long-Term Lease are subordinate to the lien of any Mortgage in favor of Institutional Mortgagees encumbering a Condominium villa, to the extent that where said Institutional Mortgagee as the owner and holder of a First Mortgage encumbering a Condominium parcel in the Condominium property, as provided in Article XXIII of this Long-Term Lease, forecloses its Mortgage against a Condominium parcel and obtains title to same by public sale held as a result of such foreclosure suit, or the aforescribed Mortgagee acquires title by conveyance in lieu of foreclosure, notwithstanding when the Mortgage was created, said First Mortgagee, for so long as it shall continue to hold title, shall receive an abatement of rent in the amount provided under this Article XXIII for said Condominium parcel, and the rent shall be reduced to the extent as if such Condominium parcel did not exist, provided the said First Mortgagee must receive in full the benefit of such reduction in rent by credit against its portion of the common expenses of the Condominium of which the Lessee is the Association, and further provided that the same shall not reduce nor abate any other of the promises, covenants or obligations of the Lessee herein. Upon the said First Mortgagee conveying its title to the Condominium parcel so acquired by it, the foregoing abatement of rent shall immediately cease and terminate. The subordination provisions in this paragraph shall be self-operative; however, if requested, the Lessor will execute an instrument of Subordination to confirm same. The foreclosure of a Mortgage encumbering a Condominium villa shall not operate as an extinguishment of this Lease in whole or in part, or as a termination of the Lessor's lien, as aforesaid, as against the entire Condominium property or the Condominium parcel so foreclosed.

The Lessee, its successors and assigns, understands and agrees that the within Lease imposes upon it the firm and irrevocable obligation to pay the full rent and perform the other provisions hereof, for the full term of this Lease, except as modified by the paramount provisions of certain paragraphs in this Article XXIII, as to Institutional First Mortgagees. The provisions set forth in this Article XXIII provides one means of securing to the Lessor the payment of such rent by the Lessee, and the latter's performance of its other obligations hereunder, including the payment of reasonable attorneys' fees and costs which may be incurred in effecting the collection thereof. The means herein set forth shall not be the Lessor's exclusive remedy.

The Lessee Association's leasehold interest in and to the leased premises described in Exhibit "A" attached hereto and made a

part hereof, has been and is hereby declared to be acquired pursuant to Florida Statute 711.121. All monies due and to become due under the provisions of this Long-Term Lease, including, without limitation, expenses of rent, taxes, assessments, insurance premiums, costs of maintenance and repair, including the operation of said leased premises, and all replacements and undertakings, and such other items as are specified in this Long-Term Lease, are and shall continue to be for the term of this Lease, declared to be common expenses of the Condominium being created upon the real property described in the Declaration of Condominium to which this Long-Term Lease is attached as Exhibit No. 4 and made a part hereof, and as common expenses, all monies due or to become due under this Long-Term Lease are part of the costs of maintaining the common elements of said Condominium. This paragraph is modified by the paramount provisions of the fourth paragraph on Page 17, as to Institutional First Mortgagees.

Although the rent and other obligations under this Long-Term Lease are common expenses, as aforesaid, with the same force and effect as common expenses for the costs of maintaining the Condominium property itself - within the category of "common expenses", the priority shall be as follows: - First Priority - rent due under this Long-Term Lease; Second Priority - all obligations under this Long-Term Lease other than rent; Third Priority - cost of maintaining the Condominium property itself, excluding the leasehold. Notwithstanding the right of the Management Firm as long as the Management Agreement remains in effect and thereafter the Board of Directors of the Lessee Condominium Association to apply payments by villa owners for common expenses in such manner as they determine in their sole discretion, as provided in the aforesaid Declaration of Condominium and the By-Laws of the Association attached thereto, the Lessor herein shall have the right, in its sole discretion, to require the Management Firm and thereafter the Board of Directors of the Condominium Association to apply any and all payments by villa owners for common expenses in the manner and priority as set forth in this paragraph.

It shall be the duty of the Lessee to assess its villa owners in accordance with the Condominium Act, its Declaration of Condominium and Exhibits attached thereto, in such amounts as shall be necessary to pay its obligations - payable in money, to the Lessor hereunder, and to otherwise perform its covenants and promises herein.

The foreclosure or other actions to enforce the liens herein provided, by the Lessor or Lessee Condominium Association, shall not be considered or construed as a termination or cancellation of this Lease, in whole or in part, or as to any condominium villa, nor shall it operate as an extinguishment or termination of such liens, and if an Institutional First Mortgage encumbering a Condominium villa shall be foreclosed, the same shall not operate as an extinguishment of this Lease in whole or in part, or as a termination of the Lessor's liens, as aforesaid, against the entire Condominium property or the Condominium villa so foreclosed, and such liens shall be renewed without any act on the part of the Lessor or the Mortgagee or subsequent owner, but only for money which became due and payable hereunder after the purchaser at a foreclosure sale acquired title to the Condominium villa so foreclosed, or upon the date that such Institutional First Mortgagee, Lessor, Lessee Condominium Association, or its nominee, obtains a Deed in lieu of foreclosure, subject, however, to the paramount provisions as to an abatement of the Lessor's rent for such time and in favor of Institutional Mortgagees as provided hereinabove in this Article XXIII. The term "Lessee Association" or "Lessee Condominium Association" or "Lessee" referred to in this Article shall be deemed to include the Management Firm.

In the event that the Lessor's liens granted by the provisions of Article XXIII, should, for any reason or cause whatever, be determined to be invalid, extinguished or unenforceable, then the Lessee agrees that such fact shall not extinguish nor diminish in the slightest degree the Lessee's financial or other obligations hereunder, and that it will, in the manner as now prescribed by Chapter 711, Florida Statutes, and as such statute may be amended, make such assessments and enforce its lien therefor on the individual Condominium units in the Condominium property, in order to comply with and fulfill the Lessee's obligations to Lessor hereunder - subject, however, to the paramount provisions applicable thereto in the preceding paragraphs of this Article XXIII above.

The parties understand and agree that nothing herein contained shall authorize the Lessor to collect the same indebtedness twice, and any Condominium villa owner who pays the proportionate share of the rent payable by his Condominium villa hereunder, and its prorata share of the common expenses incurred in connection with the leased premises, shall be entitled to require from the Association and the Lessor, a recordable Satisfaction of the lien for the amount paid and discharged.

XXIV

LESSOR'S OPTION RE ESCROW FOR TAXES AND INSURANCE

Notwithstanding anything contained in Articles IV and XI herein, the Lessor shall have the right (which it may exercise as frequently as it may wish) to require the Lessee to pay to the Lessor, on the 1st day of each month during the term hereof, one-twelfth (1/12th), or such portion thereof as the Lessor may determine, of the premiums for insurance required under Articles IX and XI of this Lease which will next become due and payable, plus taxes required to be paid under Article IV of this Lease which will next become due and payable. Notice of the sums required to be paid hereunder shall be given to the Lessee and said sums shall be computed so as to enable the Lessor to have sufficient monies to pay Insurance Premiums one month prior to their being payable, and to pay the taxes no later than January of each year. The sums so paid to and received by the Lessor shall be held in trust by the Lessor to pay said premiums and said taxes, and all monies so paid and received by the Lessor from the Lessee, or other Lessees, shall be deposited in an account or accounts, in a Federally insured Bank or Savings and Loan Association in the State of Florida, and the said monies may be co-mingled with other monies, as Lessor determines. The said account(s) need not be interest-bearing; however, if any interest is earned, it shall insure to the benefit of the Lessee and such other Lessees.

XXV

RENT ADJUSTMENT

Lessor and Lessee herein covenant and agree that the rental payments provided for in Article III above, shall be adjusted higher or lower, based upon the Cost of Living Index, as hereinafter defined and provided in this Paragraph, at five (5) year intervals, commencing January 1, 1971, and continuing each five (5) years thereafter throughout the term of this Lease. The adjustment to the rent to be made and, therefore, the monthly rent for each five-year term, commencing January 1, 1971, shall be determined by multiplying the basic monthly rent provided for in Article III, above, by a fraction - the numerator of which shall be the Index figure indicated for the month of November preceding each January 1, commencing with November, 1970, as shall be shown by the Consumers' Price Index, the United States City Average All Items and Commodity Groups, issued by the Bureau of Labor Statistics of the United States Department of Labor, and the denominator of which shall be the Basic Standard Index Figure of

such Price Index for the month of November, 1969. The product of such multiplication shall be the amount of the monthly rental payments to be made hereunder for the succeeding five-year period until the next computations provided for hereunder shall be made. As an example of such computation, assume that the Index for the month of November, 1970, should be 130.0, the new monthly rental amount for the period from and including January 1, 1971, through December 31, 1975, would be arrived at by multiplying the monthly rental provided for in Article III above by a fraction, the numerator which would be 130.0, and the denominator of which would be the Basic Standard Index Figure for the month of November, 1969. The product arrived at would be the monthly rental payments due hereunder for such period. In such instance, on January 1, 1976, a new computation would be made, as described herein, and the rent for the period from January 1, 1976 through December 31, 1980, would be determined by such process, and so forth, for each five (5) year term thereafter.

It is understood and agreed that the above described Index is now being published monthly by the Bureau of Labor Statistics of the United States Department of Labor. Should it be published at other intervals, the new Index hereinabove provided for shall be arrived at from the Index or Indices published by said Bureau most closely approximating the month of October of the year preceding the January 1 on which the adjustment is made. Should said Bureau of Labor Statistics change the manner of computing such Index, the Bureau shall be requested to furnish a conversion factor designed to adjust the new Index to the one previously in use, and adjustment to the new Index shall be made on the basis of such conversion factor. Should the publication of such Index be discontinued by said Bureau of Labor Statistics, then such other Index as may be published by such Bureau most nearly approximating said discontinued Index shall be used in making the adjustments herein provided for. Should said Bureau discontinue the publication of an Index approximating the Index herein contemplated, then such Index as may be published by another United States Governmental Agency which most nearly approximates the Index herein first above referred to, shall govern and be substituted as the Index to be used, subject to the application of an appropriate conversion factor to be furnished by the Governmental Agency publishing the adopted Index. If such Governmental Agency will not furnish such conversion factor, then the parties shall agree upon a conversion factor of a new Index, and in the event an agreement cannot be reached as to such conversion factor or such new Index, then the parties hereto agree to submit to Arbitrators selected and in accordance with the Rules of the American Arbitration Association, and the Arbitration laws of the State of Florida, the selection of a new Index approximating as nearly as possible the Index hereinabove contemplated, which new Index may be one published by a Governmental Agency, or one published by a private agency and generally accepted and approved as an Index reflecting the contemplated fluctuation in the purchasing power of the United States dollar. The Index selected, and the determination made by such Arbitrators in either of the above events, shall be binding upon the parties hereto. In the event of any controversy arising as to the proper adjustment for the rental payments as herein provided, Lessee shall continue paying the rent to the Lessor under the last preceding rental adjustment, as herein provided, until such time as said controversy has been settled, at such time an adjustment will be made, retroactive to the beginning of the adjustment period in which the controversy arose. In no event, and under no computation, nor in anywise, shall the provisions of this Lease provide that the amount of rent to be paid shall be less than the amount provided for as "Rent" in Article III hereinabove.

XXVI

TERMINATION OF CONDOMINIUM OF WHICH THE LESSEE ASSOCIATION
HEREIN IS FORMED TO CONDUCT AND ADMINISTER THE AFFAIRS

A voluntary or involuntary termination of the Condominium created by virtue of the Declaration of Condominium to which this Long-Term Lease is attached as Exhibit No. 4, shall not terminate this Lease; however, upon the voluntary or involuntary termination of the Condominium aforesaid, the lien of any institutional first mortgagee who is a holder of a mortgage encumbering a Condominium parcel in the Condominium aforesaid, shall be superior to the liens of the Lessor and all rights of the Lessor under this Long-Term Lease. All of the provisions of the Declaration of Condominium to which this Long-Term Lease is attached as exhibit No. 4, relative to this Lease, including, specifically, those provisions relative to the Lessor's approval and consent with regard to voluntary termination of the Condominium and where required, any Amendment of the Declaration of Condominium, are hereby declared to be an integral part of the consideration given by the Lessee to the Lessor for this Lease; however, notwithstanding all of the terms and conditions set forth above in this Article, in the event the aforesaid Condominium is voluntarily terminated as a result of "very substantial" damage to the improvements on the Condominium real property, as defined and set forth in Article XII B.6. of the Declaration of Condominium to which this Long-Term Lease is attached as Exhibit No. 4, the consent of the Lessor hereunder shall not be required, and the liens of the Lessor upon the Condominium parcels in said Condominium, and all the rights of the Lessor under this Long-Term Lease, shall continue in full force and effect; however, an institutional first mortgagee's mortgage lien encumbering a Condominium parcel shall be prior to the lien of the Lessor as to any common surplus of the Condominium and any proceeds from any and all Insurance Policies or proceeds from any other source.

XXVII

AMENDMENT OF LONG-TERM LEASE

This Long-Term Lease may be amended by agreement in writing, executed by the Lessor and the Lessee Association, which Amendment shall be duly recorded in the Public Records wherein the demised premises are located and the recording of said Amendment shall also constitute and be deemed to be an Amendment to the Declaration of Condominium to which this Lease is attached as Exhibit No. 4, as to the provisions in said Declaration relative to said Long-Term Lease. No Amendment shall change a villa owner's rent under the Long-Term Lease, nor the manner of sharing common expenses under this Long-Term Lease, nor impair the rights of the villa owners to the use and enjoyment of the recreational area and facilities, without the villa owners so affected and all record owners of mortgages thereon joining in the execution of said Amendment. No Amendment shall change the provisions of this Long-Term Lease with respect to Institutional Mortgagees, nor shall any Amendment affect, impair or prejudice the validity, rights and priorities of any mortgages encumbering Condominium parcels in the said Condominium.

XXVIII

AGREEMENTS, ETC., TO BE COVENANTS RUNNING WITH THE
LANDS

A. The terms, conditions, provisions, covenants and agreements set forth in this Long-Term Lease shall be binding upon the Lessor and Lessee, their respective heirs, legal representatives, successors and assigns, and shall be deemed to be covenants running with the land - and by "land" is meant the demised premises, as well as the premises described in the Declaration of Condominium to which this Lease is attached as Exhibit No. 4.

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B. Incorporation of Definitions by Reference: The definitions of the words, terms, phrases, etc., as provided in Article I of the Declaration of Condominium to which this Long-Term Lease is attached as Exhibit No. 4, are incorporated herein by reference and made a part hereof, and unless the context otherwise requires, said definitions shall prevail.

XXIX

PROVISIONS RELATING TO MANAGEMENT AGREEMENT

The Lessor has entered into this Long-Term Lease conditioned upon the Lessee-Association entering into the Management Agreement which is attached as Exhibit No. 5 to the Declaration of Condominium to which this Lease is attached as Exhibit No. 4, and further conditioned upon the Management Firm therein named being the Manager of the demised premises hereunder for the term therein provided and the Lessor, as previously provided in this Lease, has delegated to said Management Firm the authority to promulgate Rules and Regulations, and amend same, as to the use of the recreational facilities. The initial Rules and Regulations, and all amendments thereof and revisions thereof shall be posted in a conspicuous place in the recreation area. The Rules and Regulations shall be deemed an integral part of the within Lease. The Lessee-Association and its members specifically covenant and agree to be bound by all of such Rules and Regulations and said parties shall obey same and be responsible for their being obeyed by the said member's family, guests, invitees and servants.

Should a villa owner fail to pay an assessment for common expenses as required under the terms of the Declaration of Condominium to which this Lease is attached as Exhibit No. 4, for the period of time specified therein whereby said assessment becomes delinquent, the Management Firm may deny the villa owner and/or the authorized user of the recreational facilities the use and enjoyment of same until such time as all assessments are paid. The Management Firm shall further have the right, in its sole discretion, to suspend any villa owner and/or authorized user of the recreational facilities from the use of same for a period not to exceed thirty (30) days, for any infraction of the promulgated Rules and Regulations pertaining to said recreational facilities. Should the villa owner or the authorized user of the recreational facilities rights to use same be suspended, there shall be no reduction in the assessments due and payable by said villa owner or authorized user.

Any person who is the owner of a Condominium parcel in the Condominium created by virtue of the Declaration of Condominium to which this Lease is attached, together with spouse and other members of said parcel owner's immediate family, who are in residence in the Condominium parcel as provided in said Declaration of Condominium, and who are at least such age as is specified in said Declaration of Condominium, may use the recreational facilities, as provided herein. Where a Corporation is a parcel owner, the use of the recreational facilities shall be limited at any one time to such officer, director or employee of said Corporation who is in actual residence, and such individual shall be deemed to be the Condominium parcel owner for the purposes of this paragraph. Guests and invitees of a villa owner, including children under an age specified in the Declaration of Condominium to which this Lease is attached, whether in temporary residence in the Condominium or not, may only be permitted to use the recreational facilities, if at all, with the permission of the Management Firm, subject to the terms and conditions as the Management Firm may determine in its sole discretion, including the payment of additional compensation therefor, it being understood and agreed that said recreation facilities are primarily designed for the use and enjoyment of said villa

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owners and other Lessees as to the demised premises, and the use by others may be required to be limited or not permitted at all during certain times of a day, certain days, weeks, or months of the year, and the Management Firm shall determine the foregoing in its sole discretion, including the manner and method in which the facilities in the demised premises are to be used and under what circumstances. Notwithstanding the foregoing, where a child in residence in a Condominium parcel is the son or daughter of the parcel owner such parent shall not be required to pay additional compensation for use by said child of the recreation facilities. Where a villa owner owns more than one villa, the family in residence in each villa shall be entitled to the use of the recreation facilities whether said family in residence be a Lessee of said Condominium villa or otherwise. Where a party owns one Condominium villa and leases same, the Lessee shall be entitled to the use of the recreation facilities and said Lessee's rights thereto shall be the same as though said Lessee were the villa owner and during the term of said Lease, the villa owner and his family shall not be entitled to the use of the recreation facilities.

The transfer of the fee title to each Condominium parcel in the condominium created by virtue of the Declaration of Condominium to which this Lease is attached as Exhibit No. 4, whether voluntary or by operation of law, terminating the Condominium villa owner's membership in the Lessee-Association, shall likewise terminate said Condominium villa owner's rights to the use and enjoyment of the demised premises - it being understood and agreed that the Condominium villa owner's rights and privileges under this Lease are not assignable. The owner of a Condominium parcel identified in this Lease as a member of the Lessee-Association is entitled to the rights and privileges and use of said recreation facilities, and shall be bound by the terms and provisions of this Lease, and shall be required to make all payments under the terms of this Lease, and said Condominium parcel shall continue to be subject to the lien hereinbefore provided. The foregoing authority in favor of the Management Firm shall continue as long as the Management Agreement remains in effect and thereafter such authority shall vest in the Lessees of the demised premises; subject, however, to Lessor's approval and Lessor's paramount right to determine same.

No mortgage lien or other encumbrance against a Condominium villa or the Condominium property specified in the Declaration of Condominium to which this Lease is attached shall be considered or construed as a mortgage lien or other encumbrance against the fee simple title of the Lessor in and to the demised premises, or on the Lessee-Association's and its members' rights under the terms and provisions hereof.

The rights, privileges, duties and obligations of the Management Firm, as provided under this Long-Term Lease, shall continue as long as said Management Agreement remains in effect, and thereafter, shall inure to the Lessees under Long-Term Leases as to the demised premises. Where there is more than one Lessee, each Lessee shall be entitled to appoint one person who shall exercise the rights, duties, privileges and obligations delegated to the Management Firm as to the demised premises. This proviso shall be controlling, regardless of the size or number of villas that said Lessee owns or operates. Said parties shall have the right to determine and assess the Budget required to operate and maintain the demised premises and pay its expenses. Should the Lessee be a Corporation, its Board of Directors shall designate the person who shall have the authority provided herein; however, in the absence of a specific designation, where said Lessee is a Corporation, the President of said Corporation shall be deemed the party designated. Each Lessee shall have one (1) vote and in the event of a deadlock, the matter shall be referred to the Lessor, who shall cast the determining vote. The Lessor shall not be responsible at law or

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in any manner whatsoever for its vote, and the consequences thereof, it being understood and agreed that the foregoing is to provide an expeditious way of overcoming a deadlock of Lessees'.

XXX

LESSEE'S COVENANTS TO LESSOR

None of the Lessee's covenants and promises, including by way of illustration and not limitation, its covenants to repair and maintain under this Lease, and its covenants to repair and maintain, construct and repair, and pay taxes and insurance and charges for all utilities and services used in and around the demised premises including water, sewage, gas, electricity and telephone, shall in any way be reduced, abated, suspended or limited by reason of the fact that there are or may be other Lessees to the demised premises, or that such other Lessees have made similar or identical promises and covenants to the Lessor. Rather, the Lessee, by itself, shall be responsible for the full performance of each and every promise and covenant on the part of the Lessee herein made. No failure on the part of any other Lessee to perform similar or identical covenants or promises contained in its Lease with the Lessor, or failure on the part of the Lessor to enforce same, shall operate as a waiver, extension or indulgence to this Lessee.

The Lessee Association and its members under this Lease are required to share the common expenses under this Lease in the manner provided in Exhibit "A" attached to the Declaration of Condominium to which this Lease is attached as Exhibit No. 4, and as provided in said Exhibit "A", all other present and future Lessees and their members, of the demised premises, shall share the common expenses under this Lease in the manner provided in said Exhibit "A", notwithstanding that certain portion of the common expenses and covenants in this Long-Term Lease are identical among said Lessees, and each Lessee Association and its members shall bear the burden of the performance of same and payment of same in its entirety. Should any other Lessee(s) of the demised premises fail to perform and meet its covenants, promises and obligations under its lease, including its obligation to pay monies as provided thereunder, the Lessor shall be under no duty unto this Lessee and its members to enforce said lease in regard thereto and should Lessor decide not to enforce said lease then the Lessee herein, if it so desires, shall be obliged to file suit against said other Lessee(s) to enforce the said lease in regard thereto and the Lessee herein shall bear the expense and cost thereof unless the Court taxes same against the other Lessee(s). As between the parties the Lessee herein shall be deemed a third party beneficiary as to the lease(s) between the Lessor herein and the other Lessee(s) as to an undivided interest in and to the demised premises in this lease and as such the Lessee shall have the right to bring suit against said other Lessee(s) in this regard.

XXXI

NOTICE PROVISIONS RE ARTICLE XXIII HEREIN

Institutional First Mortgagees referred to in Article XXIII hereinabove, shall be required to give notice to the Lessor if the Mortgage Note and Mortgage given as security therefor is in default, whereby said Institution has written to the Mortgagor demanding payment of sums due under the said Note and Mortgage. Notice will be given to the Lessor hereunder by the mailing of a copy of the letter directed to the Mortgagor, addressed to the Lessor at the Lessor's last known address or the address specified by the Lessor to said Mortgagee. Notice shall be conclusively presumed to have been received by the Lessor when mailed, with postage prepaid.

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Lessor shall have the right to cure said Mortgagor's default and to make any payments due by the Mortgagor; however, the Lessor must make such payment within the same time period allowed to the Mortgagor in the letter mailed to the Mortgagor, which time period will not be less than ten (10) days from the date of mailing.

Notwithstanding the foregoing, said Institutional First Mortgagees shall not be required to advise the Lessor as to any modification of the Mortgage Note or Mortgage, waiver of payment(s), extension of term, or in any other regard, except as is specifically provided in this Article.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their proper officers and their Corporate Seals affixed, this 2nd day of October, 1970.

Signed, sealed and delivered
in the presence of:

LESSOR

HOLLYWOOD, INC.

By W. D. HORVITZ, President

Attest Stanley M. Beckerman
STANLEY M. BECKERMAN, Secretary
(Corporate Seal)

LESSEE-ASSOCIATION

EMERALD GREEN SECTION TWO, INC.

By John K. Brennan, Vice President

Attest Ross P. Beckerman
ROSS P. BECKERMAN, Secretary
(Corporate Seal)

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared W. D. HORVITZ and STANLEY M. BECKERMAN, to me well known to be the individuals described in and who executed the foregoing instrument as President and Secretary respectively of HOLLYWOOD, INC., a Florida corporation, and they severally acknowledged before me that they executed such instrument as such officers of said corporation, and that the Seal affixed thereto is the corporate seal of said corporation and was affixed thereto by due and regular corporate authority, and that said instrument is the free act and deed of said corporation for the purposes therein expressed.

WITNESS my hand and official seal, at the State and County aforesaid, this 2nd day of October, 1970.

NOTARY PUBLIC

(Notary Seal)

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES SEPT. 5, 1974
BONDED THRU FRED W. DIESTELHORST

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared JOHN K. BRENNAN and ROSS P. BECKERMAN, to me well known to be the individuals described in and who executed the foregoing instrument as Vice President and Secretary respectively of EMERALD GREEN SECTION TWO, INC., a Florida corporation not for profit, and they severally acknowledged before me that they executed such instrument as such officers of said corporation, and that the seal affixed thereto is the corporate seal of said corporation and was affixed thereto by due and regular corporate authority, and that said instrument is the free act and deed of said corporation for the purposes therein expressed.

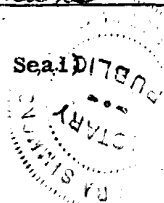
WITNESS my hand and official seal at the State and County aforesaid, this 2nd day of October, 1970.


NOTARY PUBLIC

My Commission Expires:

(Notary Seal)

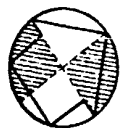
NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES SEPT. 5, 1974
BONDED THRU FRED W. DIESTELHORST



DESCRIPTION

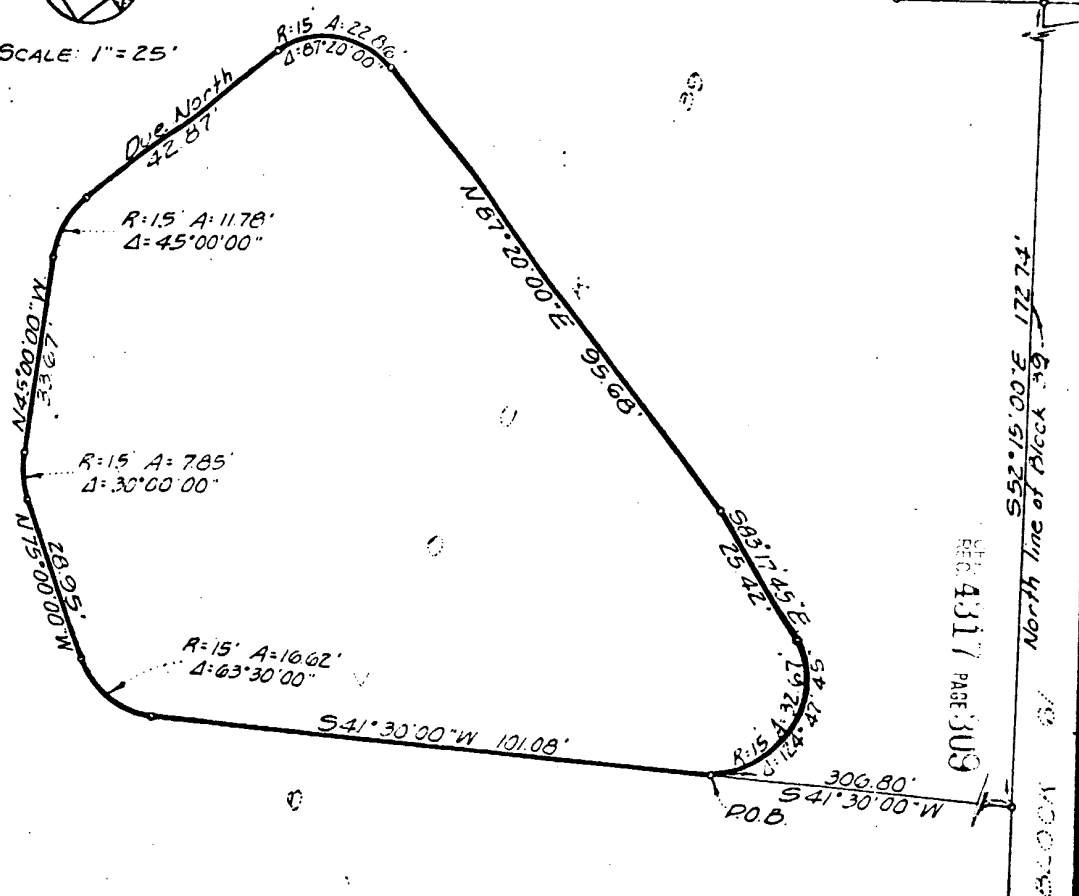
A portion of Block 39, "HOLLYWOOD HILLS NORTH SECTION ONE", according to plat thereof recorded in Plat Book 66, page 20, of the public records of Broward County, Florida, being more particularly described as follows:

From the northernmost corner of said Block 39, run S.52°15'00"E. along the north line of Block 39 a distance of 172.74 feet: thence, S.41°30'00"W. 306.80 feet to the point of beginning; thence, continue S.41°30'00"W. 101.08 feet to a point of curvature: thence, westerly along a curve to the right having a radius of 15 feet and a central angle of 63°30'00" an arc distance of 16.62 feet to a point of tangency: thence, N.75°00'00"W. 28.95 feet to a point of curvature: thence, northwesterly along a curve to the right having a radius of 15 feet and a central angle of 30°00'00" an arc distance of 7.85 feet to a point of tangency: thence, N.45°00'00"W. 33.67 feet to a point of curvature: thence, northwesterly along a curve to the right having a radius of 15 feet and a central angle of 45°00'00" an arc distance of 11.78 feet to a point of tangency: thence, due north 42.87 feet to a point of curvature: thence, northeasterly along a curve to the right having a radius of 15 feet and a central angle of 87°20'00" an arc distance of 22.86 feet to a point of tangency: thence, N.87°20'00"E. 95.68 feet: thence, S.83°17'45"E. 25.42 feet to a point of curvature: thence, southerly along a curve to the right having a radius of 15 feet and a central angle of 124°47'45" an arc distance of 32.67 feet to a point of tangency and the point of beginning.



KEYSER AVENUE

SCALE: 1" = 25'



TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY II, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above-ground encroachments except as shown. I further certify that the survey represented hereon meets the requirements of the Florida Land Title Association and that this plat is true and correct.

Dated at Hollywood, Broward County, Florida, this 27 day of OCT., A.D. 1969.

M. E. BERRY & ASSOCIATES
REGISTERED LAND SURVEYORS

2813 HOLLYWOOD BOULEVARD
HOLLYWOOD, FLORIDA 334

P. O. BOX 945
PHONE 923-6588

Maurice E. Berry
MAURICE E. BERRY II
Registered Land Surveyor No. 1122
STATE OF FLORIDA

EXHIBIT A

P L E D G E A G R E E M E N T

THIS AGREEMENT made and entered into this _____ day of _____, 19____, by and between _____

_____, herein-
after referred to as "Villa Owner", HOLLYWOOD, INC., a Florida corporation, hereinafter referred to as "Pledgee"; and EMERALD GREEN SECTION TWO, INC., a Florida non-profit corporation, hereinafter referred to as "Association";

W I T N E S S E T H:

WHEREAS, on the _____ day of _____, 19____, Pledgee as Lessor, and Association as Lessee, entered into a Long-Term Lease Agreement, the same being recorded on the _____ day of _____, 19____, in Official Records Book _____ at Page _____, of the Public Records of Broward County, Florida; and

WHEREAS, Association is a Florida non-profit corporation organized and formed for the purpose of administering and conducting the affairs of EMERALD GREEN SECTION TWO, a Condominium; and

WHEREAS, Villa Owner will become a member of the Association upon the execution of this Agreement; and

WHEREAS, the premises demised under the aforescribed Long-Term Lease consists of real property and recreational facilities constructed or to be constructed thereon which are to be for the use and enjoyment of the association and all of its members; and

WHEREAS, the rental payable under the aforescribed Long-Term Lease is a common expense of the subject condominium, a pro rata share of which the Villa Owner is obligated to pay; and

WHEREAS, pursuant to the terms of the aforescribed Long-Term Lease, the Association has agreed with the Pledgee to obtain from the Villa Owner a pledge of the Villa Owner's interest in the subject condominium in favor of the Pledgee in order to secure the Association's obligations under the said Long-Term Lease and to secure the Villa Owner's obligations as a member of the Association to pay his pro rata share of the common expense which the monthly rental under the Long-Term Lease Agreement is a part thereof; and

WHEREAS, the Villa Owner is desirous of becoming a member of the Association and of using and enjoying the recreational facilities described above:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the benefits of the same accruing each to the other, and other good and valuable considerations, it is mutually agreed as follows:

1- That the foregoing recitals are true and correct.

2- In order to secure the faithful performance of the Association's obligations to the pledgee herein under the Long-Term Lease Agreement aforescribed and in order to secure the Villa Owner's obligation to pay his common expenses of the said condominium, a part of which is his pro rata share of the rental payable from the Association to the Pledgee under the subject Long-Term lease, the Villa Owner does hereby pledge, grant, sell, bargain, lien, remise, release, convey and confirm unto the Pledgee, in fee simple, all of that certain Villa of which said Villa Owner in the condominium is now seized and possessed, and in actual possession, situate in Broward County, State of Florida, to-wit:

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EXHIBIT *B*

Condominium Villa No. _____ of EMERALD GREEN
SECTION TWO, a condominium, according to the declara-
tion thereof, dated this _____ day of _____,
19____, recorded in Official Records Book _____,
at Page _____, Public Records of Broward County,
Florida; together with all of the appurtenances thereto
and all structures and improvements thereon and fixtures
attached thereto and also all electrical fixtures, air
conditioning equipment, machinery, ovens, ranges, bath-
tubs, sinks, water closets, water basins, pipes, faucets
and other plumbing and heating fixtures, refrigerating
plants, carpeting, window screen, screen doors, venetian
blinds, storm shutters and awnings, dishwashers, garbage
disposals, screen enclosures, and any and all other fix-
tures, which are now or to be used with, in or on said
premises, even though they be detached or detachable,
which shall be deemed to be fixtures and accessions to
the freehold and a part of the encumbered property.

TO HAVE AND TO HOLD the same with the tenements, hereditaments
and appurtenances, unto the said Pledgee, in fee simple.

The foregoing security is in addition to the obligations of
the Villa Owner to make payment of his common expenses as provided
for under the Declaration of Condominium of said condominium and is
deemed to be by way of additional security for the full and faithful
performance by the Association of the Long-Term Lease Agreement
aforescribed.

The said Villa Owner covenants with the Pledgee that said
Villa Owner is indefeasibly seized of said aforescribed land and
condominium parcel and unit in fee simple; that said Villa Owner
has full power and lawful right to convey said lands, parcel and
unit in fee simple as aforesaid; that said Villa Owner does hereby
fully warrant the title to said lands, parcel and villa and will
defend the same against the lawful claims of all persons whatsoever.

And, the said Villa Owner further covenants and agrees:

A. To pay all and singular the taxes, assessments, levies,
liabilities, obligations and encumbrances of every nature, including
assessments by the Association, its successors and assigns, on said
lands, parcel and villa aforescribed, and if the same be not promptly
paid, the said Pledgee may, at any time, pay the same without waiving
or affecting the option to foreclose, or any right hereunder and every
payment so made shall bear interest from the date thereof at the rate
of ten per cent per annum; and specifically, to pay the principal and
interest payments upon any other mortgages, to which the Pledgee may
have subordinated its mortgage lien herein created.

B. To pay all and singular the costs, charges and expenses,
including attorneys' fees, reasonably incurred or paid at any time
by the said Pledgee because of the failure on the part of the Villa
Owner and/or the Association to perform, comply with, and abide by
each and every stipulation, agreements, conditions and covenants
of the Long-Term lease agreement aforescribed and every such
payment shall bear interest from date at the rate of ten per cent
per annum.

C. To permit, commit, or suffer no waste, impairment or
deterioration of said lands, parcel and villa aforescribed or any
part thereof, ordinary wear and tear excepted.

3- Notwithstanding anything to the contrary herein contained,
so long as Villa Owner pays his pro rata share of rental directly to

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Pledgee in accordance with Article XXIII of the aforescribed Long-Term lease agreement, then and in such event Pledgee agrees that it will not enforce any of its rights which it may have against the Villa Owner by virtue of this Pledge agreement (including, but not by way of limitation, the right of foreclosure), notwithstanding the fact that Association is in default of said Long-Term lease and/or any other Villa Owner has failed to perform its obligations as a member of the Association to pay his pro rata share of the common expenses of which the monthly rental under the Long-Term lease agreement is a part thereof.

4- Pledgee agrees that this mortgage pledge herein created upon the lands, parcel and unit aforescribed, shall be secondary, inferior and subordinate to any valid institutional first mortgage placed upon said lands, parcel and villa. Pledgee further agrees to execute and deliver to any lending agency granting such first mortgage loan a subordination agreement, which agreement shall have the effect of placing the mortgage created by this agreement in a subordinate and secondary position to any and all rights, claims, title or liens acquired by such lending institution. Further, this Pledge Agreement is subject to the provisions of Article XXIII of the Long Term Lease with reference to the rights of institutional First Mortgagees.

5- The parties hereto acknowledge that, in addition to constituting a lien on the real estate and fixtures encumbered hereby, this Indenture also constitutes a Security Agreement and Financing Statement with respect to said fixtures and all chattels encumbered hereby, together with all proceeds thereof, in accordance with the Uniform Commercial Code. The Pledgee's address is 3325 Hollywood Boulevard, Hollywood, Florida. The Villa Owner's (Debtor's) address is _____
Hollywood, Florida.

IN WITNESS WHEREOF, the said parties hereto have caused these presents to be signed in their names and the Corporation has caused these presents to be signed in its name by its proper officers and its corporate seal to be affixed, attested by its Secretary, and the Villa Owner has hereunto affixed his hand and seal; the day and year first above written.

Signed, sealed and delivered
in the presence of:

PLEDGEE
HOLLYWOOD, INC.

By _____
W.D. HORVITZ, President

Attest _____
STANLEY M. BECKERMAN, Secretary
(Corporate Seal)

(As to Pledgee)

ASSOCIATION
EMERALD GREEN SECTION TWO, INC.

By _____
JOHN K. BRENNAN, Vice President

Attest _____
ROSS P. BECKERMAN, Secretary
(Corporate Seal)

(As to Association)

VILLA OWNER

SEAL

(As to Villa Owner)

VILLA OWNER

SEAL

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STATE OF FLORIDA
COUNTY OF BROWARD

I, an officer authorized to take acknowledgments according to the laws of the State of Florida, duly acting and qualified, HEREBY CERTIFY that W. D. HORVITZ and STANLEY M. BECKERMAN, President and Secretary respectively of HOLLYWOOD, INC., a Florida corporation, to me personally known this day acknowledged before me that they executed the foregoing Pledge Agreement as such officers of said corporation and that they affixed the corporate seal of said corporation, and I FURTHER CERTIFY that I know the said person making such acknowledgment to be the individuals described in and who executed the said pledge.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Hollywood, said County and State, this _____ day of _____, 19 ____.

NOTARY PUBLIC

My Commission Expires:

(Notary Seal)

STATE OF FLORIDA
COUNTY OF BROWARD

I, an officer authorized to take acknowledgments according to the laws of the State of Florida, duly acting and qualified, HEREBY CERTIFY that JOHN K. BRENNAN and ROSS P. BECKERMAN, respectively as Vice President and Secretary of EMERALD GREEN SECTION TWO, INC., to me personally known this day acknowledged before me that they executed the foregoing Pledge Agreement as such officers of said corporation, and that they affixed thereto the official seal of said corporation; and I FURTHER CERTIFY that I know the said persons making the acknowledgments to be the individuals described in and who executed the said pledge.

IN WITNESS WHEREOF I hereunto set my hand and official seal at Hollywood, said County and State, this _____ day of _____, 19 ____.

My Commission Expires:

NOTARY PUBLIC

(Notary Seal)

STATE OF _____
COUNTY OF _____

I, an officer authorized to take acknowledgments according to the laws of the State of _____, duly acting and qualified,

HEREBY CERTIFY THAT _____

to me personally known, this day acknowledged before me that he executed the foregoing Pledge Agreement; and I FURTHER CERTIFY that I know the said person(s) making said acknowledgment(s) to be the individual(s) described in and who executed the said pledge.

IN WITNESS WHEREOF, I hereunto set my hand and official seal at _____, said County and State, this _____ day of _____, 19 ____.

My Commission Expires:

NOTARY PUBLIC

(Notary Seal)

MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 2nd day of October, 1970, by and between HOLLYWOOD, INC., a Florida corporation whose name appears at the end of this Agreement as the Management Firm, hereinafter called the "Management Firm", and EMERALD GREEN SECTION TWO, INC., a Florida Corporation not for profit, whose name appears at the end of this instrument as the Condominium Association, hereinafter called the "Association", which said terms shall be deemed to extend to and include the legal representatives, successors and assigns of the said parties hereto;

W I T N E S S E T H:

THAT, WHEREAS, the Association is the Association responsible for the operation of that certain Condominium specified in the Declaration of Condominium to which this Management Agreement is attached as Exhibit No. 5, and said Association is desirous of entering into a Management Agreement for the management of said Condominium; and,

WHEREAS, in the Declaration of Condominium and the Long-Term Lease attached thereto as Exhibit No. 4, to which this Management Agreement is attached as Exhibit No. 5, the Association has covenanted that the use by the Association and its members, as a Lessee of the recreation facilities, shall be subject to the rules and regulations promulgated by the Management Firm during the term of the Management Agreement, and thereafter by the Lessees of said recreation facilities, subject to the approval of the Lessor, and said recreation facilities and the Condominium - the operation of which is the Association's responsibility, are to be at all times under the Management Firm's complete supervision, operation and control, and the Management Firm is to have the right to determine the Budget, and fix and collect assessments required and necessary therefor, as to said Condominium and the recreation facilities, as provided in said Declaration of Condominium, the Long-Term Lease, and in this Agreement.

WHEREAS, the Management Firm is in the said business of providing management, supervision and services for the operation, conduct and management of Condominiums and recreation facilities, and is desirous of furnishing such management services; and,

WHEREAS, there may be other Lessees in interest as to the recreation facilities, who will simultaneously contract for the services of the Management Firm as to said recreation facilities, and where such Lessee is a Condominium Association, as to the Condominium for which it is responsible;

NOW, THEREFORE, for and in consideration of the mutual premises contained, it is agreed by and between the parties, as follows:

- 1- That the foregoing recitals are true and correct.
- 2- That the terms used in this Management Agreement shall be defined as said terms are defined and used in the Condominium Act, or in the Declaration of Condominium to which this Management Agreement is attached as Exhibit No. 5, or in the Long-Term Lease which is attached to said Declaration of Condominium as Exhibit No. 4.
- 3- The Association does hereby employ the Management Firm as the exclusive Manager of the Condominium property and the recreation facilities; and the Management Firm hereby accepts such employment.

4- The term of this Agreement shall commence as of the date hereof through December 31, 1974, provided, however, that the Management Firm may, upon sixty (60) days written notice given to the Association, terminate and cancel this Agreement as of the last day of such month as is specified in the Notice of Cancellation.

5- The Management Firm, to the exclusion of all persons, including the Association and its members, shall have all the powers and duties of the Association as set forth in the Declaration of Condominium, the Long-Term Lease and the By-Laws of the Association (except such thereof as are specifically required to be exercised by its Directors or members), and shall perform by way of illustration and not of limitation, the following services:

A. Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Condominium and the recreation facilities, including a Manager, who, in each instance, shall be the employees of the Management Firm, as the Management Firm, in its absolute discretion shall determine, and cause to be discharged all persons unnecessary or undesirable.

B. To maintain and repair the Condominium property and the common elements of said Condominium to the same extent that the Association is required to maintain and repair same, as provided in said Condominium's Declaration of Condominium and Exhibits attached thereto. For any one item of repair, replacement or refurbishing as to the Condominium, the expense incurred as to the Condominium as a whole, shall not exceed the sum of Twenty-Five Thousand (\$25,000.00) Dollars, unless specifically authorized by the Board of Directors of the Association, except, however, in the case of an emergency, the Management Firm is authorized to expend any sum necessary to protect and preserve the property

C. Take such action as may be necessary to comply with all laws, statutes, ordinances, rules and of all appropriate governmental authority, and the rules and regulations of the National Board of Fire Underwriters, or in the event it shall terminate its present functions, those of any other body exercising similar functions.

D. As to the Condominium and recreation facilities, to enter into contracts for garbage and trash removal, vermin extermination, and other services, and make all such contracts and purchases in either the Association's or Management Firm's name, as the Management Firm shall elect.

E. As to the Condominium and recreation facilities, to purchase equipment, tools, vehicles, appliances, goods, supplies and materials as shall be reasonably necessary to perform its duties, including the maintenance, upkeep, repair, replacement, refurbishing and preservation of the Condominium and the recreation facilities. Purchases shall be in the name of the Management Firm, or the Association, as the Management Firm shall elect.

F. Cause to be placed or kept in force all insurance required or permitted in the Declaration of Condominium and Long-Term Lease; to act as Agent for the Association, each villa owner, and for each owner of any other insured interest; to adjust all claims arising under said insurance policies; to bring suit thereon and deliver releases upon payment of claims; to otherwise exercise all of the rights, powers and privileges of the insured parties; to receive on behalf of the insured parties, all insurance proceeds, subject to the provisions of the Declaration of Condominium and Long-Term Lease.

G. To maintain and repair the recreation facilities to the same extent that the Association is required to repair and maintain same as provided in the said Condominium's Declaration of Condominium and Exhibits attached thereto including the Long-Term Lease. For any one item of repair, replacement and refurbishing, the total expenses incurred for same shall not exceed the sum of Ten Thousand (\$10,000.00) Dollars as to this Condominium's share of such expenses unless the same is specifically authorized by the Board of Directors of this Association and all of the Lessees' as to the recreation area; except, however, in the case of an emergency the Management Firm is authorized to spend any sum necessary to protect and preserve the property.

H. Maintain the Association's financial record books, accounts and other records as provided by the Association's By-Laws and pursuant to the Condominium Act; issue Certificates of account to members, their mortgagees and lienors without liability for errors unless as a result of gross negligence. Such records shall be kept at the office of the Management Firm and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm shall agree to; however, said request for inspection cannot be made more than once in any calendar year. Such expert may also conduct an external audit, provided the cost for same is paid by the Association, and said independent auditor, in any instance, must be acceptable to the Management Firm whose acceptance shall not be unreasonably withheld. As a standard procedure, the Management Firm shall render to the Association a statement for each calendar year no later than the April 1st next thereafter. The Management Firm shall perform a continual internal audit of the Association's financial records for the purpose of verifying the same, but no independent or external audit shall be required of it.

I. Maintain records sufficient to describe its services hereunder and such financial books and records sufficient in accordance with prevailing accounting standards to identify the source of all funds collected by it in its capacity as Management Firm, and the disbursement thereof. Such records shall be kept at the Office of the Management Firm and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm may agree to; however, said request for inspection cannot be made more than once in any calendar year. The Management Firm shall perform a continual internal audit of the Management Firm's financial records relative to its services as Manager for the purpose of verifying same, but no independent or external audit shall be required of it.

J. The Management Firm shall determine the budget and funds needed for current expenses within each budgetary year, reserves for deferred maintenance, and reserves for maintenance and betterments, as provided in the Association's By-Laws, as to the Condominium, and as to recreation facilities, for the term of the Management Agreement as related thereto - the foregoing being in the absolute sole discretion of the Management Firm, subject, however, to the specific limitations thereof where otherwise provided. Upon said budget's being determined annually, the Management Firm shall submit annually to the Association the operating budget for the ensuing year, setting forth the anticipated income and expenses of the Condominium for the year, and said Management Firm shall specify therein each unit owner's monthly share thereof. Should an increase in assessments be required or a special assessment be required during the year, the same shall be determined and made by the Management Firm and the Association shall be advised thereof and as to the share thereof payable by each of the Association's members, as the case may be. The Management Firm shall

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collect the assessments based upon the foregoing. The assessments as to each member of the Association shall be made payable to the Management Firm, or such other firm or entity as the Management Firm shall direct; and the Management Firm shall have the right to designate such member or members of the Association, or the Association itself, as it determines, to collect said assessments on behalf of the Management Firm and deliver same to it. The Management Firm shall not be responsible for obtaining the best price available as to any service, material or purchase, but shall, with impunity, purchase or contract for same with such person or party as it deems advisable and in the best interests of the Association and the Management Firm, without the necessity of obtaining the best price.

K. Deposit all funds collected from the Association's members, or otherwise accruing to the Association, in a special bank account or accounts of the Management Firm in banks and/or savings and loan associations in the State of Florida, with suitable designation indicating their source, separate from or co-mingled with similar funds collected by the Management Firm on behalf of other Condominiums or entities which the Management Firm manages.

L. May cause a representative of its organization to attend meetings of the villa owners and of the Board of Directors of the Association; however, it is understood and agreed that the Minutes of the Association's meetings, whether of villa owners or of the Board of Directors, shall be taken by the Association's Secretary, and possession of the Minutes Book shall be in the custody of said Secretary, who shall always be responsible for preparing and furnishing notices of all meetings to the required parties. The Management Firm shall have the right to determine the fiscal year and when it shall commence.

M. Supervise, operate and control, manage and maintain at all times, the recreation facilities, and perform under those powers delegated to it by the Lessor under the Long-Term Lease; promulgate, adopt and amend Rules and Regulations as it deems advisable in its sole discretion, for the use of said recreation facilities, and for the use and occupancy of the Condominium's common elements and villas therein, and to enforce same. The Management Firm, in its sole discretion, shall determine all activities and programs to be carried on in the recreation facilities and shall employ the personnel required therefor as it determines in its sole discretion. The Management Firm shall determine whether or not and on what basis the services of a Social Director should be obtained and the cost and the expense thereof shall be deemed a part of the Operating Budget. Rules and Regulations as to the recreation facilities shall be uniform as to all Lessees thereof. The Management Firm shall determine, in its sole discretion, the number of the security personnel, if any, and the times when they shall be on duty, and the cost and expense of same shall be deemed a part of the Operating Budget.

N. The Management Firm shall cause such alterations and/or additions to the common elements or limited common elements of the Condominium property and the recreation facilities to be made as authorized by the Board of Directors of the Association and its members where required pursuant to and in accordance with said Condominium's Declaration of Condominium and Exhibits attached thereto, including the By-Laws and Long-Term Lease. As to the recreation facilities the foregoing is subject to the Lessor's prior written approval. As to the foregoing the Management Firm shall be paid for the cost of its personnel and overhead materials and equipment in regard thereto and any and all contractors, subcontractors or materialmen as are required therefor, plus a sum to be paid to the

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Management Firm for its services in this regard which sum is equal to twenty percent (20%) of the total cost of such alteration or addition. The aforesaid sum payable to the Management Firm shall be due and payable to the Management Firm over and above the Management Firm's fee under this Management Agreement as hereinafter set forth.

O. Retain and employ such professionals and such other experts whose services may be reasonably required to effectively perform its duties and exercise its powers hereunder, and to employ same on such basis as it deems most beneficial.

P. Sublet or enter into Agreements for the use of such space and upon such terms and conditions and for such purpose as the Management Firm determines in its sole discretion, within the recreation facilities and the common elements of the Condominium, where a Condominium Association is a party to this Agreement, and by agreement grant concessions and licenses to persons to provide facilities and services as to and within the recreation facilities and the condominium, and cause coin vending machines and coin operated equipment and pay telephones to be installed within said recreation facilities and the Condominium, and as to the recreation facilities to purchase same on behalf of and at the cost and expense of the Lessees of the recreation facilities, and as to the Condominium to purchase same at the cost and expense of and on behalf of the Condominium Association or rent same, or enter into agreements regarding same. However, all income derived by the Management Firm from the foregoing as to the recreation facilities shall inure to the benefit of of the Lessees of the recreation facilities, and all expenses appertaining thereto shall likewise be borne by said Lessees. The parties hereto recognize that space may be sublet, or agreements may be entered into as to said space, or agreements, concessions and licenses may be entered into to provide facilities and services as specified herein for very nominal or no compensation whatsoever. The Management Firm may enter into same in its sole discretion, and it shall use its best judgment; however, it shall not be responsible for same nor the fact that a greater sum might have been obtained nor a shorter period contracted for.

Q. Make and collect special assessments for such purposes and against such parties as the Management Firm determines, subject to the provisions of the Declaration of Condominium to which this Management Agreement is attached as Exhibit No. 5, and all Exhibits to said Declaration of Condominium including the Long-Term Lease.

R. Exercise such powers and rights delegated to it under the terms and provisions of the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, and all Exhibits attached to said Declaration.

S. If maintenance of the Condominium referred to in the Declaration of Condominium to which this Management Agreement is attached as Exhibit No. 5, or any portion thereof, including any villa, villas and/or the common elements, is required, due to loss by Act of God or other cause, which is other than normal wear and tear, and which loss is less than "very substantial" as defined in the Condominium's Declaration of Condominium to which this Agreement is attached, then in such event, the Management Firm shall undertake to repair and restore said loss. The Management Firm shall be authorized and empowered to determine, assess, charge and levy the costs of repairing and restoring such loss among the villa owners in such proportions as it deems advisable, pursuant to Article XII.B.5.(e) of the Declaration of Condominium to which this Agreement is attached, notwithstanding the fact that said loss or damage, was, or was not, covered by insurance, and said total assessment shall be equal to

the cost of said repair which shall include the costs of the Management Firm's personnel, and overhead, materials and equipment, and any and all other contractors, sub-contractors, or materialmen as are required, plus a sum to be paid the Management Firm for its services in this regard, which sum is equal to twenty (20%) percent of the total cost of such repair. The aforesaid sum, payable to the Management Firm, shall be due and payable to the Management Firm over and above the Management Firm's fee under this Management Agreement, as hereinafter set forth. Should the loss be covered by insurance, the proceeds thereof shall be applied as a credit against the total costs of said repair and restoration, in such proportions as hereinbefore set forth in this paragraph. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration, shall be from insurance proceeds, where such are received, and then from assessments collected, and should there be a surplus of such funds, the said surplus shall be distributed to or on behalf of the villa owners, as provided in Article XII, of the aforesaid Declaration of Condominium. All repairs and restoration of a villa, villas, and/or common elements of said Condominium by the Management Firm shall be made pursuant to the applicable provisions in Article XII. of said Declaration of Condominium. Should said condominium suffer loss or damage, which is "very substantial", as defined in said Condominium's Declaration of Condominium, the decision to restore and repair, or abandon and terminate the Condominium shall be made solely by the villa owners of said Condominium, pursuant to Article XII.B.6., of said Declaration of Condominium. Should the villa owners vote to abandon the Condominium, it shall be terminated, as provided in said Declaration of Condominium. Should the villa owners vote to restore and repair the Condominium, the Management Firm shall cause said repairs and restoration to be made, and determine, assess, charge and levy the costs thereof, as previously provided in this paragraph and pursuant to Article XII. of said Declaration of Condominium.

If restoration and repair of the recreation area and facilities is required, due to loss by Act of God or other causes which are other than normal wear and tear, the Management Firm, as required under the Long-Term Lease as to the recreation facilities, shall undertake to repair and restore said loss. The Management Firm shall be authorized and empowered to determine, assess, charge and levy the costs of repairing and restoring such loss among the Lessees of the recreation facilities, and their members, in such proportions as it deems advisable, pursuant to the requirements for same as specified in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, notwithstanding the fact that said loss or damage was or was not covered by insurance, and said total assessment shall be equal to the cost of said repair, which shall include the cost of the Management Firm's personnel, overhead, materials and equipment, and any and all contractors, sub-contractors or materialmen, as required, plus a sum to be paid the Management Firm for its services in this regard, which sum is equal to twenty percent (20%) of the total costs of such repairs and restoration. Should the loss be covered by Insurance, the proceeds thereof shall be applied as a credit against the total costs of said repairs and restoration, in such proportions as hereinbefore set forth in this paragraph. The first monies disbursed for same shall be from insurance proceeds, where such are received, and then from assessments collected. Should there be a surplus of insurance funds, it shall be disbursed to the Lessor, as provided under the Long-Term Lease, and if there is a surplus of assessments, it shall be disbursed to and on behalf of the Lessees of the recreation facilities, and their members, in the same manner as said parties share the expenses, excluding rent as to the recreation facilities, as provided in the Declaration of Condominium to which this Agreement is attached. All repairs and restoration shall be made pursuant to the applicable provisions of the Long-Term Lease. The aforesaid sum payable to the Management Firm, shall be due and payable to the Management Firm over and above the Management Firm's fee under this Management Agreement, as hereinafter set forth.

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6. Notwithstanding the terms of this Agreement, the Management Firm shall have the right as it determines to retain all or such portion of the late charge and interest due on assessments, as provided in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, and all Exhibits attached to said Declaration of Condominium, and shall have the further right as it determines to retain all or such portion of the application fee for approval in connection with transfers or leasing of Condominium villas; however, although the Management Firm's approval to such transfer or lease is required, it shall not be obliged to the Association to investigate applications for such transfers or leases, and it shall be the duty and responsibility of the Association to undertake such independent investigation as it deems necessary to investigate and approve or disapprove of all applications for transfers or leases. The sums paid to the Management Firm under the provisions of this paragraph shall be over and above the Management Firm's fee under the Management Agreement as hereinafter set forth.

7- Notwithstanding the delegation by the Association to the Management Firm of its power to determine and collect assessments during the term of this Agreement, the Association retains the power to make those assessments as are specified in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5 and the By-Laws which are attached thereto as Exhibit No. 2.

8- The Management Firm shall apply assessments collected as it determines in its sole discretion as to those items specified in the By-Laws of the Association, including the Management Firm's fee and its overhead and expenses, which shall be deemed common expenses. The Management Firm, during the term of this Agreement may file a lien against a villa owner's Condominium parcel should he fail to pay his assessments as required and provided in the Declaration of Condominium to which this Agreement is attached, and Exhibits attached to said Declaration, and take such other action as provided in said documents either in its name or in the name of or as agent of the Association whose name appears at the end of this instrument. The Management Firm may compromise liens in such amounts as it deems advisable in its sole discretion and it may satisfy liens of record and render statements as to the current status of a villa owner's assessments.

9- The Association whose name appears at the end of this instrument shall aid and assist the Management Firm in any reasonable manner requested by the Management Firm as to the collection of assessments, and the said Association shall further aid and assist the Management Firm in any reasonable manner required by the Management Firm so as to simplify the method of collecting the monthly assessments or special assessments due from villa owners.

10- The Management Firm shall have the right, in its sole discretion, to suspend any villa owner and/or authorized user of the recreation facilities from the use of such recreation facilities for any infraction of the promulgated Rules and Regulations pertaining to said recreation facilities, for a period not to exceed thirty (30) days, and during said period of suspension, there shall be no reduction in the assessments due and payable from said villa owner and/or authorized user.

11- Should a villa owner fail to pay an assessment within ten (10) days after its due date, the Management Firm may deny to the villa owner and/or the authorized user of the recreation facilities, the use and enjoyment of the said facilities until such time as all assessments are paid.

12- Use of the recreation facilities shall be limited to owners of Condominium villas in the Condominium created by virtue of the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5 together with spouse and other members of said villa owner's immediate family who are in residence in the Condominium villa and other Lessees of said recreation facilities, and such other persons and under such terms and conditions as the Management Firm determines in its sole discretion, pursuant to the provisions of the Long-Term Lease which is attached to the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5. The Lessee of the Condominium villa shall be entitled to the use of the recreation facilities in the place of the villa owner.

13- It is specifically understood that the Management Firm does not undertake to pay common expenses from its own funds and shall only be required to perform its services and make disbursements to the extent that, and so long as payments received from assessments or other revenue, if any, of the Association whose name appears at the end of this instrument, are sufficient to pay the costs and expenses of such services and the amounts of such disbursements. If it shall appear to the Management Firm that the assessments and other revenue, if any, of the said Association, and its members, are insufficient to pay the same and to adequately fund reserves, the Management Firm shall forthwith determine such additional assessment as is required and advise the said Association and its members.

14- It is specifically understood and agreed that the Management Firm shall perform all of the services required of it hereunder at no cost and expense whatsoever to itself, but solely at the cost and expense of the Association whose name appears at the end of this instrument, and its members, and others who are Lessees as to the recreation facilities and who are parties as to similar Management Agreements as to said parties' Condominium villas or otherwise. As compensation, fee or profit for its services hereunder, the Management Firm shall receive a net fee, free of all charges and expenses, of ten (10%) percent of assessments of every kind of the said Association, except that the total of such assessments shall be reduced by the said Association's share of the costs and expenses of the Management Firm in the employment of accountants and attorneys-at-law, to the end and extent that the Management Firm shall not directly or indirectly recover any compensation fee or profit on the charges and fees of such professionals. The Management Firm's fee from the said Association and its members shall commence as of the first or fifteenth day of the month, whichever is sooner, following the filing of the Declaration of Condominium to which this Agreement is attached, in the Public Records of the County in which said Condominium property is located. The foregoing shall also include special assessments.

15- The Association whose name appears at the end of this instrument, shall not interfere nor permit, allow or cause any of its Officers, Directors or members to interfere with the Management Firm in the performance of its duties or the exercise of any of its powers hereunder.

16- The parties recognize that the Management Firm may be performing similar services to the services performed hereunder for other Condominium Associations and entities and will be administering, operating, managing and maintaining recreational facilities, and to require the Management Firm to cost account with regard to each Condominium and entity and between the Association whose name appears at the end of this instrument, and other persons in interest as to other properties managed by the Management Firm, would substantially increase the costs of administration hereunder, the burden of which is said Association's and its members, in part. Accordingly

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the Management Firm is hereby granted the power to allocate to the Association whose name appears at the end of this Agreement, and its members, in accordance with the provisions of the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, its and their appropriate and fair share of such costs and expenses as are general, and as to those which are not general, to charge the same to the appropriate party(s), on such weighted basis as the Management Firm deems fair and equitable.

17- The Management Firm shall not be liable to the Association whose name appears at the end of this instrument, and its members, for any loss or damage not caused by the Management Firm's own gross negligence or willful misconduct, and said Association and its members will, and do hereby, indemnify and save harmless the Management Firm from any such liability for damages, costs and expenses arising from injury to any person or property in, about and in connection with the Condominium specified in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, and the recreation facilities, from any cause whatsoever, unless such injury shall be caused by said Management Firm's own gross negligence or willful misconduct.

18- The Management Firm may assign this Agreement, as long as the Assignee agrees, in writing, to assume and perform the terms and covenants of this Agreement, and upon such assumption, the Management Firm shall be released from any and all obligations hereunder. Said Assignment shall be duly recorded in the Public Records of the County wherein the recreation facilities are located and notice of same, together with an executed duplicate of said Assignment shall be delivered to the said Association by certified mail or its equivalent. The Management Firm may also subcontract all or portions of its duties and powers under this Management Agreement.

19- The Association whose name appears at the end of this instrument, on behalf of its members, may assign its right, title and interest in and to this Agreement to another Condominium Association operating and existing under the laws of Florida; however, said Assignment shall not be valid unless and until the Assignee thereunder expressly assumes and agrees, in writing, to perform each and every covenant and term of this Agreement. The said Assignment shall be duly recorded in the Public Records of the County wherein the recreation facilities are located and an executed duplicate of said Assignment shall be delivered to the Management Firm and the Lessor under the recreational facilities Lease.

20- The Management Firm shall be authorized to assess a Condominium villa owner for those items of special assessments as set forth in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, and the Exhibits attached to said Declaration, and in this Agreement; i.e., maintenance, repairs or replacements caused by the negligence or misuse by a villa owner, his family, servants, guests or invitees, or lessees; or failure of a villa owner to maintain those portions of his Condominium villa as he is required to repair and maintain; or violation of the provisions of the aforesaid Declaration of Condominium and Exhibits attached thereto which require the removal of same by the Management Firm, and/or which increase the costs of maintenance and/or repair upon the Management Firm, or increase insurance rates and premiums, etc. The Management Firm is further authorized to assess a Condominium villa owner for special assessments for guests or invitees of said villa owner, whether in residence in the Condominium or not, as to their use of the recreation facilities, or for services, purchases, rental of equipment or otherwise, in the recreation facilities or the Condominium, and for any other special services or charges agreed upon between the villa owner and the Management Firm; i.e., providing

special services on behalf of and at the request of the villa owner, such as putting up the villa owner's approved storm shutters, or providing personal services within the villa owner's villa, or providing a service or reporting information on behalf of a villa owner as may be required by said villa owner's permitted mortgagee. The Management Firm shall be under no duty or obligation to perform such personal services. Items of special assessments referred to herein shall be a lien upon the appropriate villa owner's villa with the same effect as though the said assessment were a common expense payable by said villa owner.

21- The power and authority of the Association whose name appears at the end of this instrument to amend the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, and the Exhibits attached to said Declaration, is subject to the specific provisos applicable thereto set forth in the aforesaid instruments.

22- All assessments made by the Management Firm under this Agreement shall be deemed common expenses of the Condominium specified in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5. The Association whose name appears at the end of this instrument, and its members, further agree that during the term of this Agreement, the number of Condominium villas specified in the Declaration of Condominium to which this Agreement is attached, shall not be changed, and the monthly assessments for common expenses during the term of this Agreement shall be in such amount as is solely determined by the Management Firm, the Association whose name appears at the end of this instrument having delegated said power to the Management Firm.

23- The Association hereby delegates to the Management Firm the power to assign and change assignments of specific parking spaces to its members, and to otherwise regulate vehicular traffic and parking of all manner and type of vehicles, and storage of non-vehicular personalty on the property of the Condominium specified in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, or not to permit such storage on the Condominium property as the Management deems advisable. The Management Firm shall also regulate and control the parking areas on the recreation facilities in such manner as it determines.

24- Should any dispute arise as to the rights of any of the parties under this Agreement, including the powers and duties of the parties and all of the terms and conditions of this Agreement, and said dispute cannot be amicably settled and resolved between the parties, then either party shall have the right to submit the matter in controversy for arbitration to the Senior Judge of the Circuit Court in and for the County wherein the recreation facilities are located, and the decision of said Judge shall be final. The Court shall have the right to assess costs and attorneys' fees in such amount and against such party as it deems meet and proper under the circumstances.

25- This Agreement may be renewed upon the same terms and conditions for an additional ten (10) year term upon written notice in recordable form being recorded by this Management Firm in the Public Records of the County wherein the Condominium is located provided said notice is recorded at least sixty (60) days prior to the expiration of the original term of this Agreement.

26- No waiver of a breach of any of the covenants contained in this Agreement shall be construed to be a waiver of any succeeding breach of the same covenant.

27- Time is of the essence in every particular, and especially where the obligation to pay money is involved.

28- No modification, release or discharge or waiver of any provision hereof shall be of any force, effect or value, unless in writing, signed by the parties to this Agreement; i.e., the Management Firm and the Association whose name appears at the end of this Agreement, or their respective successors or assigns.

29- All covenants, promises, conditions and obligations herein contained or implied by law, are covenants running with the recreation facilities, and with the lands described and submitted to Condominium ownership in the Declaration of Condominium to which this Agreement is attached, and the same shall attach to and be binding upon the Management Firm, its successors and assigns, and the Association whose name appears at the end of this Agreement, its successors and assigns, and the present and future owners of the aforesaid Condominium, and their heirs, personal representatives, successors and assigns.

30- This instrument, together with the Declaration of Condominium to which this Agreement is attached, and the Exhibits attached to said Declaration, including this Agreement, constitute the entire agreement between the parties hereto, as of the date of execution hereof, and neither has been induced by the other by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the instruments referred to herein, which are not expressly contained therein.

31- The invalidity in whole or in part of any covenant, promise or undertaking, or any section, sub-section, sentence, clause, phrase or word, or of any provision of this Agreement or the Exhibits attached hereto, and the Declaration of Condominium to which this Agreement is attached and the Exhibits attached to said Declaration, shall not affect the validity of the remaining portions thereof.

32- The definitions of the words, terms, phrases, etc., as provided in Article 1. of the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, are incorporated herein by reference and made a part hereof, and unless the context otherwise requires, said definitions shall prevail. The term, "recreation area and facilities" and "recreation area" and "recreation facilities" as used in this Agreement, shall mean the demised premises described in the Long-Term Lease attached to the Declaration of Condominium as Exhibit No. 4, to which Declaration this Agreement is attached; and the term "Lessor" and "Lessee Association" and "Lessee", where used throughout this Agreement, shall have the same meaning as defined in the Long-Term Lease referred to in this paragraph.

33- The words "Lessor", "Lessee", Lessee-Association", "member(s)", "villa owner(s)" and "parcel owners", wherever and whenever used herein, shall include the singular and plural thereof, and the use of any gender shall include all genders, wherever the same shall be appropriate. The term "Condominium parcel" or "Condominium villa", or "villa", or "parcel" and the owners thereof shall be defined pursuant to the Declaration of Condominium to which this Agreement is attached, and same are Condominium parcels and/or villas of such Condominium as is created by the aforesaid Declaration of Condominium.

34- When either party hereto, and the Association's members, desire to or are required to give notice unto the other, or others, in connection with and according to the terms of this Agreement, such notice shall be given to the Association, its members, and the Management Firm, as provided in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5.

35- If the Association whose name appears at the end of this instrument, or its members, shall interfere with the Management Firm in the performance of its duties and exercise of its powers hereunder, or if the said Association shall fail to promptly do any of the things required of it hereunder, then the Management Firm - fifteen (15) days after having given written notice to said Association of said default by delivering said notice to any officer of the Association, or in their absence, to any member of the said Association, may declare this Agreement in default unless such default be cured by the said Association within fifteen (15) days after such notice. Upon default, the Management Firm, may in addition to any other remedy given it by agreement or in law or in equity, bring an action against the said Association and its members for damages and/or specific performance and/or such other rights and remedies as it may have, and the said Association and its members shall be liable for the Management Firm's reasonable Attorney's fees and costs incurred thereby. All of such rights of the Management Firm upon default, shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

36- Failure by the Management Firm to substantially perform its duties and obligations under this Agreement for a continuous period of ninety (90) days after written notice of default from the Association whose name appears at the end of this Agreement, specifying the default complained of, shall be grounds for the said Association's cancellation of this Agreement.

37- If the Condominium specified in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, shall be terminated, as is provided in its Declaration of Condominium, then each of the Condominium villa owners shall thereby become a tenant in common, and shall, as to his separate interest, continue to be a party to this Agreement and bound by the provisions hereof, and the Management Firm shall manage such interest pursuant to the provisions of this Agreement as the nature of such interest and the context of this Agreement shall permit.

38- The Management Firm shall not be liable or responsible to the Association whose name appears at the end of this instrument, its Board of Directors and its members, for its failure to act under the provisions of Article VIII. of the By-Laws of said Association.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, and have caused these presents to be signed respectively by their proper Officers, and their respective Corporate Seals have been duly affixed this 2nd day of October, 1970.

Signed, sealed and delivered
in the presence of:

Rosemary Harrison
Gloria J. J. J. J. J.

"MANAGEMENT FIRM:

HOLLYWOOD, INC.

By W. D. Horvath
President - W. D. HORVATH

Attest: Stanley M. Beckerman
Secretary - STANLEY M. BECKERMAN
(Corporate Seal)

"LESSEE-ASSOCIATION"

EMERALD GREEN SECTION TWO, INC.

By John K. Brennan
Vice President - JOHN K. BRENNAN

Attest: Ross P. Beckerman
Secretary - ROSS P. BECKERMAN
(Corporate Seal)

THE UNDERSIGNED, as the Developer of the Condominium specified in the Declaration of Condominium to which this Agreement is attached as Exhibit No. 5, and as the Lessor under the recreation facilities Long-Term Lease respectively which is attached to the said Declaration of Condominium as Exhibit No. 4, HEREBY APPROVES AND CONSENTS TO THIS AGREEMENT.

Signed, sealed and delivered
in the presence of:

DEVELOPER AND LESSOR

HOLLYWOOD, INC.

By W. D. HORVITZ, President

Attest Stanley M. Beckerman
STANLEY M. BECKERMAN, Secretary

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared W. D. HORVITZ and STANLEY M. BECKERMAN, to me well known to be the persons described in and who executed the foregoing instrument as President and Secretary respectively of HOLLYWOOD, INC., a Florida corporation, and they severally acknowledge before me that they executed such instrument as such Officers of said Corporation, and that the Seal affixed thereto is the Corporate Seal of said Florida Corporation, and that same was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal, at the County and State aforesaid, this 2nd day of October, 1970

My Commission Expires:

NOTARY PUBLIC
NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES SEPT. 5, 1974
BONDED THRU FRED W. DIESTELHORST

(Notary Seal)

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared JOHN K. BRENNAN and ROSS P. BECKERMAN, to me well known to be the persons described in and who executed the foregoing instrument as Vice President and Secretary respectively of EMERALD GREEN SECTION TWO, INC., a Florida corporation not for profit, and they severally acknowledged before me that they executed such instrument as such officers of said Corporation, and that the seal affixed thereto is the corporate seal of said Florida corporation, and that same was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal at the County and State aforesaid, this 2nd day of October, 1970.

My Commission Expires:

NOTARY PUBLIC
NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COM. EXPIRES SEPT. 5, 1974
BONDED THRU FRED W. DIESTELHORST

(Notary Seal)

RECORDED IN OFFICIAL RECORDS BOOK
OF BROWARD COUNTY, FLORIDA
JACK WHEELER
CLERK OF CIRCUIT COURT