

CC&Rs

Parador Condominium Association Inc.

(The space above this line is reserved for recording information.)

CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly elected President of Parador Condominium Association, Inc., a Florida corporation not-for-profit, does hereby certify that the following resolution was duly proposed by the Board of Directors and approved by greater than seventy-five percent (75%) of the voting interests present in person or by proxy at the Members' Meeting held on September 9, 2009 for the purpose of amending and restating the Declaration of Condominium of The Parador, a Condominium, and the Articles of Incorporation and Bylaws of Parador Condominium Association, Inc. as originally recorded at O.R. Book 898, at Page 478 et seq., Public Records of Collier County, Florida.

RESOLVED: That the Declaration of Condominium of The Parador, a Condominium, and the Articles of Incorporation and Bylaws of Parador Condominium Association, Inc., Inc. be and are hereby amended and restated in the form attached hereto and made a part hereof.

11/9/09
Date

PARADOR CONDOMINIUM ASSOCIATION, INC.

Laura Spell
Signature of Witness

By: Pam Korn

Pam Korn, President

Laura Spell
Print name of Witness

1200 Gulfshore Boulevard North
Naples, Florida 34102

Tracy L. Price
Signature of Witness

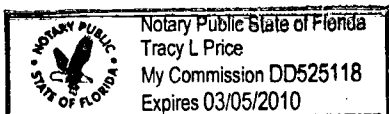
TRACY L. PRICE
Print name of Witness

(SEAL)

STATE OF FLORIDA
COUNTY OF COLLIER

I hereby certify that on this 9th day of October, 2009, personally appeared before me Pam Korn, as President of Parador Condominium Association, Inc., Inc., a Florida corporation not for profit, who executed the foregoing certificate in the name of, and on behalf of, said corporation. She (choose one) ☐ is personally known to me or ☒ has produced MO Drivers License for identification and did not take an oath.

Tracy L. Price
Signature of Notary Public
TRACY L. PRICE
Print name of Notary (SEAL)
My Commission Expires:



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

**AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
FOR
THE PARADOR, A CONDOMINIUM**

On December 31, 1980, the original Declaration of Condominium of The Parador, a Condominium (hereinafter the "Condominium") was recorded in Official Record Book 898, at Page 478 et seq., of the Public Records of Collier County, Florida. That Declaration of Condominium, as it has previously been amended, is hereby further amended in part and is restated in its entirety.

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

2. NAME AND ADDRESS: The name of this Condominium is The Parador, a Condominium, and its street address is 1200 Gulfshore Boulevard North, Naples, Florida 34102.

3. DESCRIPTION OF CONDOMINIUM PROPERTY: The land submitted to the condominium form of ownership by the original Declaration (hereinafter the "Land") is legally described as follows:

Lots 14, 15 and 16, COQUINA SANDS, Unit No. 1, according to the plat thereof, recorded in Plat Book 3, Pages 21 and 22, of the Public Records of Collier County, Florida, together with those portions of a certain alley vacated by City of Naples Ordinance No. 1381, a certified copy of which is recorded in Official Record Book 274, Page 327, and by that certain corrective City of Naples Ordinance No. 1395, a certified copy of which is recorded in Official Record Book 278, Page 952, both in the Public Records of Collier County, Florida;

which legal description was also contained in Exhibit "A" to the original Declaration, which Exhibit is hereby incorporated as Exhibit "A" hereto.

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

DECLARATION OF CONDOMINIUM

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

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

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

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

4.5 "Condominium Documents" means and includes this Declaration, all recorded exhibits hereto, and the Rules and Regulations, as amended from time to time.

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

- (A) One natural person.
- (B) Two natural persons who are related by marriage.
- (C) Two or more natural persons, each of whom is related by blood, marriage or adoption to each of the persons in (A) or (B) above.
- (D) Two or more natural persons meeting the requirements of (B) or (C) above, except that there is among them one person who is not related to some or all of the others.

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

4.8 "Guest" means any person who is not the Unit owner or a lessee or a member of the owner's or lessee's family, who is physically present in, or occupies the Unit on a temporary basis at the invitation of the owner or other legally permitted occupant, without the payment of consideration. "Temporary" as used in this definition means not longer than sixty (60) days in any twelve (12) month period.

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

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

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

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

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

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

4.15 "Unit" has the same meaning as the term "Unit" as defined in the Condominium Act.

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

4.17 "Voting Interest" means and refers to the arrangement established in the condominium documents by which the owners of each Unit collectively are entitled to one vote in Association matters. There are eighteen (18) Units, so the total number of voting interests is eighteen (18) votes.

5. DESCRIPTION OF IMPROVEMENTS, SURVEY AND PLANS:

5.1 Survey and Plot Plans. Attached to the original Declaration as Exhibits "C" and "D", and incorporated by reference herein, are a survey of the Land and plot plans, which graphically describe the improvements in which Units are located, and which show all the Units, including their identification numbers, locations and approximate dimensions and the common elements and limited common elements. Together with this Declaration, the exhibit is in sufficient detail to identify each Unit, the common elements and limited common elements, and their relative locations and dimensions.

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

- (A) **Upper and Lower Boundaries.** The upper and lower boundaries of the Unit shall be the following boundaries extended to their intersections with the perimeter boundaries:
 - (1) **Upper Boundaries.** The horizontal plane of the undecorated and/or unfinished lower surface of the ceiling of the Unit.

- (2) Lower Boundaries. The horizontal plane of the unfinished upper surface of the concrete floor of the Unit.
- (B) Perimeter Boundaries. The perimeter boundaries of the Unit shall be the vertical planes of the unfinished interior surfaces of the plasterboard walls bounding the Unit as shown in Exhibit "D" hereto, extended to their intersections with each other and with the upper and lower boundaries.
- (C) Interior Walls. No part of the non-structural interior partition walls within an apartment shall be considered part of the boundary of a Unit.
- (D) Apertures. The exterior balconies, terraces or patios, if any, attached or contiguous to and exclusively serving a Unit, and all glass and other transparent or translucent material, insect screens and screening in windows and doors and the materials covering other openings in the exterior of Units, including shutters, shall be construed to be within the boundaries or limits of Units exclusively served by such balconies, terraces, patios, windows, doors and other openings.

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

6. CONDOMINIUM PARCELS; APPURTENANCES AND USE:

6.1 Shares of Ownership. The Condominium contains eighteen (18) Units. The owner of each Unit shall also own an undivided share in the common elements and the common surplus in the percentage as shown on Exhibit "B" to this Declaration.

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

- (A) An undivided ownership share in the Land and other common elements and the common surplus, as specifically set forth in Section 6.1 above.
- (B) Membership and voting rights in the Association, which shall be acquired and exercised as provided in the Amended and Restated Articles of Incorporation and Bylaws of the Association, attached hereto as Exhibits "E" and "F", respectively.
- (C) The exclusive right to use the limited common elements reserved for the Unit, and the right to use the common elements.
- (D) An exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time. An easement in airspace which is vacated shall be terminated automatically.

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

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

6.3 Use and Possession. A Unit owner is entitled to exclusive use and possession of his Unit. He is entitled to use the common elements in accordance with the purposes for which they are intended, but no use of the Unit or of the common elements may unreasonably interfere with the rights of other Unit owners or other persons having rights to use the condominium property. No Unit may be subdivided. The use of the Units, common elements and limited common elements shall be governed by the condominium documents and by the rules and regulations adopted by the Board of Directors, as provided in Section 7 of the Bylaws.

7. COMMON ELEMENTS; EASEMENTS:

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

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

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

- (A) Utility and other Easements. The Association has the power, without the joinder of any Unit owner, to grant, modify or move easements such as electric, gas, cable television, or other utility or service easements, or relocate any existing easements, in any portion of the common elements or association property, and to grant access easements or relocate any existing access easements in any portion of the common elements or association property, as the Association shall deem necessary or desirable for the proper operation and maintenance of the Condominium. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the

use of the Units. The Association may also transfer title to utility-related equipment, facilities or material, and to take any other action to satisfy the requirements of any utility company or governmental agency to which any such utility-related equipment, facilities or material are to be so transferred.

- (B) Encroachments. If any Unit encroaches upon any of the common elements or upon any other Unit for any reason other than the intentional act of the Unit owner, or if any common element encroaches upon any Unit, then an easement shall exist to the extent of that encroachment as long as the encroachment exists.
- (C) Ingress and Egress. A non-exclusive easement shall exist in favor of each Unit owner and occupant, their respective guests, tenants, licensees and invitees for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, and other portions of the common elements as from time to time may be intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through, and across such portions of the common elements as from time to time may be paved or intended for such purposes, and for purposes of ingress and egress to the public ways.

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

8. LIMITED COMMON ELEMENTS:

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

- (A) Storage Lockers. Certain storage lockers are shown on the survey and plot plan as limited common elements. Each locker has been assigned to the exclusive use of a certain Unit as identified on the survey and plot plan. No Unit may be assigned or acquire the use of more than one locker. The exterior surfaces of the lockers will be maintained by the Association and the cost shall be a common expense.
- (B) Parking Spaces. There have been designated, on the attached survey and plot plan, certain parking spaces as limited common elements. These parking spaces have been assigned to the exclusive use of specific Units as identified in the survey and plot plan. The cost of maintenance of all parking spaces shall be a common expense. The parking spaces may be transferred between Units in accordance with Section 8.2 below, however, any transfer that would result in a Unit on the first through fourth floors having less than one (1) covered parking space and each Unit on the fifth floor having less than two (2) covered parking spaces shall be void.

- (C) **Air Conditioning and Heating Equipment**. All equipment, fixtures and installations located outside of a Unit, which furnish air conditioning or heating exclusively to that Unit, shall be limited common elements, and shall be maintained, repaired and replaced by, and solely at the expense of, the owner of the Unit, except as otherwise provided in Section 11.3 below.

8.2 Exclusive Use; Transfer of Use Rights. The exclusive use of a limited common element is an appurtenance to the Unit or Units to which it is designated or assigned. The right of exclusive use of each limited common element passes with the Unit to which it is assigned, whether or not separately described, and cannot be separated from it; except that the use rights to a particular parking place or storage locker may be exchanged between Units or transferred to another Unit as follows:

- (A) The Unit owners desiring to exchange such use rights shall submit a written request to the Board of Directors. If the Board approves the exchange, the owners involved shall then execute a Certificate of Transfer which shall include the recording data identifying this Declaration, and be executed by the Association and the owners with the formalities required for the execution of a deed.
- (B) The transfer of use rights shall be complete and effective when the Certificate is recorded in the Public Records of Collier County, Florida. The costs of preparing and recording the Certificate shall be borne by the Unit owners desiring the exchange or transfer.

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

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

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

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

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

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

9.6 Powers and Duties. The powers and duties of the Association include those set forth in the Condominium Act and the condominium documents. The Association may contract, sue, or be sued with respect to the exercise or nonexercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management, and operation of the condominium property and association property. The Association may impose fees for the use of common elements or association property.

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

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

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

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

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

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

- (A) the collection of assessments;
- (B) the collection of other charges which owners are obligated to pay;
- (C) the enforcement of the use and occupancy restrictions applicable to the Condominium;
- (D) the enforcement of any restrictions on the sale, lease and other transfer of Units;

- (E) in an emergency, when waiting to obtain the approval of the members creates a substantial risk of irreparable injury to the Association or its members; or
- (F) filing a compulsory counterclaim.

9.13 Disclaimer, Waiver and Release of Claims Regarding Mold and Mildew. Mold occurs naturally in almost all indoor environments. Mold spores may also enter the condominium unit through open doorways, windows or a variety of other sources. The unit owner acknowledges that the Condominium is located in a hot, humid climate ("Florida Environment"), which is conducive to the growth of mold and/or mildew. Mold and/or mildew may be present during or after construction in the indoor air and/or on the interior surfaces of the unit, including, but not limited to, wall cavities, windows, and/or on the exterior surfaces of the unit or any part thereof.

THE ASSOCIATION SHALL NOT BE RESPONSIBLE FOR THE PREVENTION OF MOLD AND/OR MILDEW OR ANY DAMAGES, INCLUDING, BUT NOT LIMITED TO ANY SPECIAL OR CONSEQUENTIAL DAMAGES, PROPERTY DAMAGES, PERSONAL INJURY, EMOTIONAL DISTRESS, DEATH, LOSS OF USE, LOSS OF INCOME, DIMINUTION OR LOSS OF VALUE OF THE UNIT, ECONOMIC DAMAGES, AND ADVERSE HEALTH EFFECTS RELATING TO, ARISING FROM OR CAUSED BY MOLD AND/OR MILDEW ACCUMULATION REGARDLESS OF THE CAUSE OF SAID MOLD/MILDEW. EACH UNIT OWNER (BY VIRTUE OF HIS OR HER ACCEPTANCE OF TITLE TO HIS OR HER UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE CONDOMINIUM PROPERTY (BY VIRTUE OR ACCEPTING SUCH INTEREST OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL CLAIMS, OBLIGATIONS, DEMANDS, DAMAGES, CAUSES OF ACTION, LIABILITIES, LOSSES AND EXPENSES, WHETHER NOW KNOWN OR HEREFTER KNOWN, FORESEEN OR UNFORESEEN THAT PURCHASER, OWNER AND INTEREST HOLDER HAS, OR MAY HAVE IN THE FUTURE, IN LAW OR IN EQUITY ARISING OUT OF RELATING TO, OR IN ANY WAY CONNECTED WITH INDOOR AIR QUALITY, MOISTURE, OR THE GROWTH, RELEASE, DISCHARGE, DISPERSAL OR PRESENCE OF MOLD AND/OR MILDEW OR ANY CHEMICAL OR TOXIN SECRETED THEREFROM.

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

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

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

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

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

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

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

10.7 Acceleration. If any special or regular assessment or installment of a special or regular assessment as to a Unit is unpaid thirty (30) days after the due date, and a Claim of Lien is recorded, the Association shall have the right to accelerate the due date of the entire unpaid balance of the Unit's regular assessments for that fiscal year or the total unpaid balance of any special assessment. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the public records. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorneys' fees and costs

as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent owner a notice of the exercise, which notice shall be sent by certified or registered mail to the owner's last known address, and shall be deemed given upon mailing of the notice, postpaid. The notice may be given as part of the notice of intent to foreclose, as required by Section 718.116 of the Condominium Act, or may be sent separately.

10.8 Liens. The Association has a lien on each condominium parcel securing payment of past due assessments, including interest and attorney's fees and costs incurred by the Association incident to the collection of the assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit. The lien is perfected upon recording a Claim of Lien in the Public Records of Collier County, Florida, stating the description of the condominium parcel, the name of the record owner, the assessments past due and the due dates. Except as otherwise provided in the Act, no lien may be filed by the Association against a condominium unit until 30 days after the date on which a notice of intent to file a lien has been delivered to the owner by certified mail, return receipt requested, and by first-class United States mail to the owner at his or her last known address as reflected in the records of the association. However, if the address reflected in the records is outside the United States, then the notice must be sent by first-class United States mail to the unit and to the last known address by regular mail with international postage, which shall be deemed sufficient. Delivery of the notice shall be deemed given upon mailing as required by this subsection. Alternatively, notice shall be complete if served on the unit owner in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. Once recorded, the lien is in effect until barred by law. The Claim of Lien secures all unpaid assessments coming due prior to a final judgment of foreclosure. Upon full payment, the person making the payment is entitled to a satisfaction of the lien.

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

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

10.11 Certificate As To Assessments. Within fifteen (15) days after request by a Unit owner or mortgagee, the Association shall provide a certificate (sometimes referred to as an "estoppel letter") stating whether all assessments and other monies owed to the Association by the Unit owner with respect to the condominium parcel have been paid. Any person other than the owner who relies upon such certificate shall be protected thereby. The Association or its authorized agent may charge a reasonable fee for the preparation of the certificate.

11. MAINTENANCE; LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS :

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

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

- (A) Electrical wiring up to the circuit breaker panel in each Unit.
- (B) Rough plumbing.
- (C) All installations, fixtures and equipment located within one Unit but serving another Unit, or located outside the Unit, for the furnishing of utilities to more than one Unit or the common elements.
- (D) The entrance doors to the Units and storage lockers and their exterior surfaces.
- (E) All exterior building walls, including balcony walls.
- (F) All railings on the exterior of the building.
- (G) Maintenance, repair and replacement of windows and window glass.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a Unit and serving only that Unit. All incidental damage caused to a Unit or limited common elements by work performed or ordered to be performed by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition made by a Unit owner without prior Association approval as required elsewhere herein, nor shall the Association be responsible for repair or restoration costs if the need for the work was caused by the negligence of the owner.

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

- (A) Maintenance, repair and replacement of screens and shutters.
- (B) The interior surface of the entrance door to the Unit and storage locker.
- (C) All other doors within or affording access to the Unit.

- (D) The electrical, mechanical and plumbing fixtures, switches, valves, drains and outlets (including connections) located partially or entirely within the Unit or serving only the Unit.
- (E) The circuit breaker panel and all electrical wiring going into the Unit from the panel.
- (F) Appliances, water heaters, smoke alarms and vent fans.
- (G) All air conditioning, and heating equipment, thermostats, ducts and installations serving the Unit exclusively.
- (H) Carpeting and other floor coverings.
- (I) Door locks.
- (J) Shower pans.
- (K) The main water supply shut-off valve for the Unit.
- (L) Other facilities or fixtures which are located or contained entirely within the Unit and serve only the Unit.
- (M) All interior, partition walls which do not form part of the boundary of the Unit.

11.3 Other Unit Owner Responsibilities. The Unit owner shall also have the following responsibilities:

- (A) Balconies, Patios and Porches. Where a Unit consists of a balcony, patio or porch area, the Unit owner who has the right of exclusive use of said balcony, patio or porch area shall be responsible for the day-to-day cleaning and care of the interior surfaces of the walls, floor and ceiling bounding said area, if any; and any fixed glass and sliding glass doors in portions of the entrance way to said area, if any; and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the maintenance, repair and replacement of all exterior walls of the building and the concrete slabs.
- (B) Interior Decorating. Each Unit owner is responsible for all decorating within his own Unit, including painting, wallpapering, panelling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.
- (C) Flooring. An owner who desires to install in place of carpeting any hard-surface floor covering (e.g. marble, slate, ceramic tile, parquet) shall also install a sound absorbent underlayment of such kind and quality as to substantially reduce the transmission of noise to adjoining Units, and must obtain written approval of the Board of Directors prior to any such installation. If the installation is made without prior approval the Board may, in addition to exercising all the other remedies provided in this Declaration, require the Unit owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending Unit owner.

No carpeting of any kind may be installed on or affixed to concrete surfaces exposed to the elements. All flooring affixed to concrete surfaces exposed to the elements must have a sufficient waterproofing membrane installed to prevent damage to the underlying structure.

- (D) Window Coverings. The covering and appearance of windows and doors, whether by draperies, shades, reflective film or other items, whether installed within or outside of the Unit, visible from the exterior of the Unit, shall be subject to the rules and regulations of the Association.
- (E) Broadcast Satellites and Antennae. The Association shall allow a Unit owner to install or add direct broadcast satellite, multichannel multipoint distribution service, television broadcast antennae or other such receptive devices to their Unit or limited common elements only to the extent required by law. The Board of Directors, however, shall have the right to adopt reasonable rules, restrictions and specifications regarding the manner, place, type, size, style and color of such additions and installations to the extent allowed by law.
- (F) Exterior Replacements, Additions and Installations. The Board of Directors shall have the right to adopt reasonable rules, restrictions and specifications regarding the manner, place, type, size, style and color of all replacements, additions or installations to Units, limited common elements or common elements that are visible from the exterior of the condominium.
- (G) Use of Licensed and Insured Contractors. Whenever a Unit owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the Unit or common elements, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that his contractor(s) are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.
- (H) Water Shut-Off. Each unit shall have an easily accessible, fully operable main water supply shut-off valve to regulate the unit's water supply. The main water supply shut-off valve for the unit must be turned to the off position when the unit is not being occupied.

11.4 Alteration of Units or Common Elements by Unit Owners. No Unit owner(s) shall make or permit the making of any alterations, improvements or additions to Units, Limited Common Element to which the owner has an exclusive right of use, or Common Elements, unless the Unit owner(s) shall first submit plans for such work to the Board, and the Board shall approve and consent thereto. Approval may be denied if the Board reasonably determines that the proposed modifications or alterations would tend to adversely affect, or in any manner be detrimental to the Condominium in whole or in part. The Board of Directors may revoke or rescind the approval of an alteration or modification previously given, if it appears that the installation has had unanticipated material adverse effects on the Condominium.

- (A) Alterations and Additions Requiring Approval of the Board. Alterations requiring approval include but are not limited to, those that would:

- (1) remove, in whole or in part, replace, reroute, or otherwise affect any column, bearing wall or partition, pipe, duct, wire or conduit, or obstruct any easement herein provided for;
- (2) remove, or change the style, pattern, material, texture or outside color of any door, window, screen, fixture, equipment or appliance in or on an exterior Unit or building wall;;
- (3) cover, from the inside or outside, the glass or other transparent and/or translucent material in any exterior door or window with, or apply or affix thereto, any material or substance which shall render the same opaque or change the exterior color thereof, except interior draperies, curtains, shades or shutters which are lined, backed, covered or painted on the side visible from the exterior with a neutral color material; or
- (4) otherwise change, modify or alter the exterior of any Unit or building so that it thereby differs in appearance from any other Units.

If any such installation or addition also constitutes a material alteration of, or substantial addition to, the common elements, then the Unit owner must obtain the approval of the unit owners as would be required by Section 11.5 below in addition to the approval of the Board.

- (B) Hurricane Shutters. Notwithstanding any provisions herein to the contrary, the Board of Directors may not prohibit the installation of storm or hurricane shutters which comply with the specifications promulgated by the Board of Directors.
- (C) Responsibility for Unit Owner Additions or Alterations. Any item added to the common elements by a Unit owner is intended for the sole use and benefit of that owner's unit, the item shall remain the personal property of the owner and shall not be deemed a part of the common elements. For example, a hurricane shutter or screen door that is added to the exterior of a unit and attached to the common elements remains personal property of the unit owner that installed it. (This example is intended to illustrate and not to limit meaning of the foregoing to the items listed.) If a unit owner makes any modifications, installations or additions to his unit, common elements or the limited common elements appurtenant to his unit for the sole use and benefit of that owner's unit, the unit owner, and his successors in title, shall be financially responsible for:
 - (1) Insurance, maintenance, repair and replacement of the modifications, installations or additions;
 - (2) The costs of repairing any damage to the common elements or other units resulting from the existence of such modifications, installations or additions; and

- (3) The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace or protect other parts of the condominium property for which the Association is responsible.
- (D) Major Construction Projects. All major construction projects by or at the direction of any owner to a unit or the common elements shall only occur during the period beginning May 15 and ending on October 15. The determination of whether a construction project is major shall be in the Board's sole discretion.

11.5 Alterations and Additions to Common Elements and Association Property. The protection, maintenance, repair, insurance and replacement of the common elements and association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the common elements or the real property owned by the Association costing more than fifteen percent (15%) of the annual budget including reserves (whether or not funded) in the aggregate in any calendar year without prior approval of at least a majority of the voting interests. Alterations or additions costing less than this amount may be made with Board approval. If work reasonably necessary to protect, maintain, repair, replace or insure the common elements or association property also constitutes a material alteration or substantial addition to the common elements, no prior Unit owner approval is required. In no event shall prior owner approval be required for the Association to install upon the common elements or Association property solar collectors, clotheslines or other energy-efficient devices based upon renewable resources for the benefit of the unit owners. All alterations are subject to the prior approval of the Board of Directors.

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

11.7 Negligence; Strict Liability; Damage Caused by Condition in Unit. The owner of each unit shall be liable for the expenses of any maintenance, repair or replacement of common elements, other units, or personal property made necessary by his act or negligence, or by that of any member of his family or his guests, employees, agents, or tenants. Each unit owner has a duty to maintain his unit, any limited common element appurtenant to the unit (except those limited common elements required to be maintained by the Association, as provided in Section 8.1), and personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other units, the common elements or the property of other owners and residents. If any condition, defect or malfunction, resulting from the owner's failure to perform this duty causes damage to other units, the common elements association property or property within other units, the owner of the offending unit shall be liable to the person or entity responsible for repairing the damaged property for all costs of repair or replacement not paid by insurance. Negligence or "Owner's failure to perform" is specifically acknowledged hereby every owner to include but not be

limited to, the following potential occurrences: (a) failure of the owner to replace over-age hot water tanks; (b) failure of the owner to replace original equipment plastic or rubber washing machine and toilet hoses with reinforced flexible steel hoses; (c) failure of the owner to replace originally installed main water shut-off valves with ball valves; (d) failure of the owner or unit occupant to shut off the main water ball valve during absences for the Unit; (e) failure of the owner or unit occupant to shut off power to the water heater tank at the same time when shutting off the main water valve; (f) failure of the owner or unit occupant to shut off ceiling and other fans during extended absence from the Unit and (g) failure of the unit or unit occupant to clean the dryer vent serving the Unit at least once a year. Neither Association nor any unit owner shall be liable for any damage to the real or personal property and any improvements or betterments thereof or any injury to any person caused by water intrusion into a unit from another unit or the common elements resulting from rain leakage, pipe leakage, overflow, or bursting, or other similar source unless the Association, unit owner or unit occupant is guilty of negligence or willful or wanton misconduct. If one or more of the units involved is not occupied at the time the damage is discovered, the Association may enter the unit without prior notice to the owner and take reasonable action to mitigate damage or prevent its spread. The Association may, but is not obligated to, repair the damage with the prior consent of the owner.

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

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

11.10 Waiver of Liability. The growth of mold within condominium units and upon the common elements is a serious and potentially hazardous risk to the health of all residents of condominium units, a risk to the property value of the units themselves, and to the common elements of the condominium. The owners hereby recognize that mold within condominium units

and upon the common elements can be expensive and difficult to prevent and remediate. The owners further recognize that early detection, prevention and treatment can alleviate and mitigate the growth of mold which will substantially minimize the expense of remediation, the disruption that remediation can cause, the risks to the health of condominium residents and will protect property values. Mold grows when there is the presence of moisture and humidity. Therefore, moisture and humidity levels within condominium units require constant monitoring and control. It is also in the interest of the owners and the Association that the common elements remain watertight to prevent water intrusion into the units and common elements. However, unit owners and the Association recognize that the owners and/or residents are in the most favorable position to detect moisture penetration from exterior sources into units and limited common elements appurtenant to units. Therefore, in order to minimize the risks to residents and to the condominium from the growth of mold within a unit and the common elements, the Association shall forthwith require the following actions on the part of unit owners. An owner has an affirmative obligation to immediately notify the Association and allow it the right to inspect a unit prior to making repairs, or undergoing maintenance when an owner or resident discovers or otherwise observes:

- (A) Water intrusion into a unit or the limited common elements appurtenant to a unit from any source whatsoever.
- (B) The failure of plumbing, electrical, mechanical services within a unit, or which exclusively serves a unit which such failure results in damage, however slight, to the unit, other units or to the common elements.
- (C) Mold growth within a unit or upon the limited common elements appurtenant to a unit.
- (D) Any discoloration of drywall or other building materials within a unit or the limited common elements appurtenant to a unit.

Nothing in this Section shall be interpreted to prevent a unit owner or the Association from engaging in repairs or maintenance that is contemplated to prevent additional damage or injury to persons or property in the event of an emergency.

11.11 Owner Responsibility During Vacancy. If a unit is to be left vacant for more than seven (7) consecutive days, the owner or resident shall shut off the water to the unit at the unit's main interior water shut off valve prior to unit being left vacant. In addition to the requirement to shut off the water, the unit owner or resident of a vacant unit shall keep the climate controlled within the vacant unit so that the humidity within the unit will be minimized. If a unit is to be left vacant for more than thirty (30) consecutive days, the owner or resident shall arrange an inspection at least once every seven (7) days during the time the unit is vacant to verify that the climate control systems are working properly and that there is no water penetrating into, and/or leaking within or from the unit. The unit owner shall, when leaving for the summer, close the shutters and install the reinforcing bars. Failure of owner to comply with this section and above shall operate as a waiver by the unit owner or resident to make claims against the Association for any and all injuries or damages that a unit owner or resident may suffer resulting from mold or water intrusion in the unit. Failure to comply with the provisions of subsection 11.10 and this subsection shall also be deemed a failure of the owner or resident to properly maintain the unit as required by this section.

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

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

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

- (A) Any one person who is the parent, child or grandchild of the Unit owner or of the Unit owner's spouse, if any, may occupy the Unit in the absence of the owner for without limit as to the frequency or duration. That person's spouse and children if any may accompany him.
- (B) House guests not included within 12.2(A) are permitted for only one (1) family occupancy in the Unit owner's absence and then only with the proviso that the family consist of no more than two (2) persons per bedroom. Such guests may stay only two (2) weeks and the total number of occasions for this type of guest occupancy in any Unit shall be limited to two (2) in each calendar year.
- (C) Guest occupancies in the absence of the owner are only permitted if the Unit owner notifies the Association in writing at least seven (7) days before the guest occupancy begins. The notice shall specify the names of the guests, their intended arrival and departure dates and such other information that the Association may reasonably require.

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

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

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

12.6 Pets. The keeping of pets of any kind or description within the Condominium is prohibited.

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

12.8 Signs. No person may post or display "For Sale", "For Rent" or other similar signs anywhere within the Condominium or on the condominium property. One "Open House" sign may be posted or displayed during reasonable hours and only while the Unit is actually open for inspection by potential purchasers and attended to by the owner or the owner's agent. When a Unit is shown to a prospective owner or tenant, the owner or his agent shall at all times accompany the prospective owner or tenant while on condominium property.

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

12.10 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the common elements shall be that of the Unit owner.

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

13.1 Procedures.

- (A) **Notice by the Unit Owner.** An owner intending to lease his Unit shall give to the Board of Directors or its designee written notice of such intention at least twenty (20) days prior to the first day of occupancy under the lease together with the name and address of the proposed lessee, a fully executed copy of the proposed lease, and such other information as the Board may reasonably require. The Board may require a personal interview with any lessee and his spouse, if any, as a pre-condition to approval.
- (B) **Board Action.** After the required notice and all information or interviews requested have been provided, the Board shall have twenty (20) days in which to approve or disapprove the proposed lease. If the Board neither approves nor disapproves within that time, its failure to act shall be deemed the equivalent of approval, and on demand the Board shall issue a written letter of approval to the lessee.

- (C) Disapproval. A proposed lease shall be disapproved only if a majority of the whole Board so votes, and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:
- (1) the Unit owner is delinquent in the payment of assessments at the time the application is considered;
 - (2) the Unit owner has a history of leasing his Unit without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his Unit;
 - (3) the real estate company or rental agent handling the leasing transaction on behalf of the Unit owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior Association approval;
 - (4) the application on its face indicates that the person seeking approval intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
 - (5) the prospective lessee has been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, a felony demonstrating dishonesty or moral turpitude, or a crime resulting in that person being on a sexual offender, sexual predator or similar list;
 - (6) the prospective lessee has a history of conduct which evidences disregard for the rights and property of others;
 - (7) the prospective lessee evidences a strong probability of financial irresponsibility;
 - (8) the lessee, during previous occupancy, has evidenced an attitude of disregard for the Association rules;
 - (9) the prospective lessee gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid; or
 - (10) the owner fails to give proper notice of his intention to lease his Unit to the Board of Directors.
- (D) Failure to Give Notice or Obtain Approval. If proper notice is not given, the Board at its election may approve or disapprove the lease. Any lease entered into without approval may, at the option of the Board, be treated as a nullity, and the Board shall have the power to evict the lessee with proper legal notice, without securing consent to such eviction from the Unit owner.

- (E) Applications; Assessments. Applications for authority to lease shall be made to the Board of Directors on such forms and include such terms as the Board may provide from time to time. The legal responsibility for paying condominium assessments may not be delegated to the lessee.
- (F) Committee Approval. To facilitate approval of leases proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to an ad hoc committee, which shall consist of at least three (3) members.

13.2 Term of Lease and Frequency of Leasing. No Unit may be leased more often than one (1) time in any calendar year, with the minimum lease term being ninety (90) days. The first day of occupancy under the lease shall determine in which year the lease occurs. No lease may be for a period of more than one (1) year, and no option for the lessee to extend or renew the lease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same lease from year to year. No subleasing or assignment of lease rights by the lessee is allowed.

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

13.4 Occupancy During Lease Term. No one but the lessee, his family members within the first degree of relationship by blood, adoption or marriage, and their spouses and guests may occupy the Unit. The total number of overnight occupants of a leased Unit is limited to two (2) persons per bedroom. Guests of lessees may stay only two (2) weeks and the total number of occasions for this type of guest occupancy shall be limited to two (2) in each calendar year.

13.5 Occupancy in Absence of Lessee. If a lessee absents himself from the Unit for any period of time during the lease term, his family within the first degree of relationship already in residence may continue to occupy the Unit and may have house guests subject to all the restrictions in Sections 12 and 13.4 above. If the lessee and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the Unit.

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

13.7 Regulation by Association. All of the provisions of the condominium documents and the rules and regulations of the Association shall be applicable and enforceable against any person occupying a Unit as a lessee or guest to the same extent as against the owner. A covenant on the part of each occupant to abide by the rules and regulations of the Association and the provisions of the condominium documents, designating the Association as the owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written, and whether specifically expressed in such agreement or not.

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

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

14.1 Forms of Ownership:

- (A) One Person. A Unit may be owned by one natural person who has qualified and been approved as elsewhere provided herein.
- (B) Two or More Persons. Units may be owned by two or more natural persons. However, the intent of this provision is to allow flexibility in estate, tax or financial planning, and not to create circumstances where the Unit may be used as short-term transient accommodations for multiple families. If the co-owners are other than husband and wife, the Board shall condition its approval upon the designation of one approved natural person as "primary occupant". The use of the Unit by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any twelve (12) month period.
- (C) Ownership by Corporations, Partnerships or Trusts. A Unit may be owned in trust, or by a corporation, partnership or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the Unit may be used as short-term transient accommodations for several individuals or families. The approval of a trustee, or corporation, partnership or other entity as a Unit owner shall be conditioned upon designation by the owner of one natural person to be the "primary occupant". The use of the Unit by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any twelve (12) month period.
- (D) Designation of Primary Occupant. Within thirty (30) days after the effective date of this provision, each owner of a Unit which is owned in the forms of ownership stated in preceding subsections 14.1(B) and (C) shall designate a primary occupant in writing to the Association. If any Unit owner fails to do so, the Board of Directors may make the initial designation for the owner, and shall notify the owner in writing of its action.

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

14.2 Transfers.

- (A) Sale or Gift. No Unit owner may dispose of a Unit or any ownership interest in a Unit by sale or gift (including agreement for deed) without prior written approval of the Board of Directors.
- (B) Devise or Inheritance. If any Unit owner acquires his title by devise or inheritance, his right to occupy or use the Unit shall be subject to the approval of the Board of Directors under Section 14.3(A)(2) below. The approval shall not be denied to any devisee or heir who was the prior owner's lawful spouse at the time of death, or was related to the owner by blood or adoption within the first degree.
- (C) Other Transfers. If any person acquires title in any manner not considered in the foregoing subsections, that person shall have no right to occupy or use the Unit before being approved by the Board of Directors under the procedures outlined in Section 14.3 below.
- (D) To facilitate transfers proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to an ad hoc committee, which shall consist of at least three (3) members. The Chairman of the committee shall be deemed a Vice-President, and as such shall be empowered to execute Certificates of Approval on behalf of the Association.

14.3 Procedures.

- (A) Notice to Association.
- (1) Sale or Gift. An owner intending to make a sale or gift of his Unit or any interest therein shall give to the Board of Directors or its designee written notice of such intention at least twenty (20) days before the intended closing date, together with the name and address of the proposed purchaser or donee, a copy of the executed sales contract, if any, and such other information as the Board may reasonably require. The Board may require a personal interview with any purchaser or donee and his spouse, if any, as a pre-condition to approval.
 - (2) Devise, Inheritance or Other Transfers. The transferee must notify the Board of Directors of his ownership and submit a certified copy of the instrument

evidencing his ownership and such other information as the Board may reasonably require. The transferee shall have no occupancy or use rights until and unless approved by the Board, but may sell or lease the Unit following the procedures in this Section or Section 13.

- (3) Demand. With the notice required in Subsection (A)(1) above, the owner or transferee seeking approval may make a written demand that if the transfer is disapproved without good cause, the Association shall furnish an approved alternate purchaser who shall purchase the Unit at the same price and upon substantially the same terms as in the disapproved sales contract, or if no contract is involved, for the fair market value of the Unit determined as provided below.
 - (4) Failure to Give Notice. If no notice is given, the Board of Directors, at its election, may approve or disapprove at the time it learns of the transfer. If any owner fails to obtain the Association's approval prior to selling an interest in a Unit, such failure shall create a rebuttable presumption that the seller and the purchaser intend to violate the covenants of this Declaration, and shall constitute good cause for Association disapproval.
- (B) Board Action. Within twenty (20) days after receipt of the required notice and all information or interviews requested, or not later than sixty (60) days after the notice required by paragraph (A) above is received, whichever occurs first, the Board shall approve or disapprove the transfer. If a transfer is approved, the approval shall be stated in a Certificate of Approval executed by the President or Vice-President of the Association in recordable form and delivered to the transferee. If the Board neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval and on demand the Board shall issue a Certificate of Approval to the transferee.
- (C) Disapproval.
- (1) With Good Cause. Approval of the Association shall be withheld for good cause only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists. Only the following may be deemed to constitute good cause for disapproval:
 - (a) The person seeking approval has been convicted of a felony involving violence to persons or property, a felony involving possession or sale of a controlled substance, a felony demonstrating dishonesty or moral turpitude, or a crime resulting in that person being on a sexual offender, sexual predator or similar list;
 - (b) The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;
 - (c) The person seeking approval gives the Board reasonable cause to believe that person intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;

- (d) The person seeking approval has a history of disruptive behavior or disregard for the rights or property of others;
 - (e) The person seeking approval has evidenced an attitude of disregard for association rules by his conduct in this Condominium as a tenant, Unit owner or occupant of a Unit;
 - (f) The transfer to the person seeking approval would result in that person owning more than two (2) Units in the Condominium;
 - (g) The person seeking approval has failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process; or
 - (h) The transaction, if a sale or gift, was concluded by the parties without having sought and obtained the prior approval required herein.
- (2) Without Good Cause. The Association's approval shall not be denied unless a majority of the whole Board so votes. If the Board disapproves without good cause, and if the owner or transferee has made the demand set forth in Section 14.3(A)(3), then within sixty (60) days after the Board meeting at which the disapproval took place, the Board shall deliver in writing to the owner (hereafter "the seller") the name of an approved purchaser who will purchase the Unit at the same price, and upon substantially the same terms, as in the disapproved sales contract. If no sales contract was involved, or if the Association challenges the contract price as not being a good faith purchase price, then the purchase price shall be paid in cash, and the price to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two state-certified property appraisers, one selected by the seller and the other by the Association. The cost of the appraisals, and all other closing costs in cases where no sales contract is involved, shall be shared equally by the buyer and seller, except that the purchaser shall pay for his own title insurance, and all costs of mortgage financing. Real property taxes and condominium assessments shall be prorated to the day of closing and the parties shall bear their own attorneys fees, if any. The closing shall take place not longer than sixty (60) days after the date of Board disapproval or thirty (30) days after determination of fair market value by appraisal, whichever occurs last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages.
- (3) If the Board fails to deliver the name of the approved purchaser within thirty (30) days as required above, then the original proposed purchaser shall be deemed to be approved, despite the Board's former disapproval, and upon demand a Certificate of Approval shall be issued.

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

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

14.6 Fees and Deposits Related to the Sale of Units. Whenever herein the Board's approval is required to allow the sale or other transfer of an interest in a Unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law. The Association may also require any deposits that are authorized by the Condominium Act as amended from time to time. The Association or its authorized agent may also charge a reasonable fee to the prospective purchaser, lienholder, or the current owner for its time in providing good faith responses to requests for information by, or on behalf of a prospective purchaser or lienholder, other than that required by law, such fee not to exceed the maximum amount allowed by law.

15. INSURANCE. (NOTE: The provisions of this section are intended to comply with the requirements of Section 718.111(11) Florida Statutes, as it is amended from time to time and in the case of any irreconcilable contradiction Section 718.111(11) Florida Statutes, shall control.) In order to adequately protect the Association and its members, insurance shall be carried and kept in force at all times in accordance with the following provisions:

15.1 By the Unit Owner. Each unit shall carry hazard and liability insurance in accordance with and as required by Section 718.111(11) F.S., with endorsements for leakage, seepage and wind-driven rain, additions and alterations, and loss assessment protection. Each insurance policy issued to an individual unit owner providing such coverage shall be without rights of subrogation against the condominium association that operates the condominium in which such unit owner's unit is located. All real or personal property located within the boundaries of the unit owner's unit which is excluded from the coverage to be provided by the Association as set forth in Section 15.2 below shall be insured by the individual unit owner including all floor, wall, and ceiling coverings, electrical fixtures, appliances water heaters, water filters, built-in cabinets and counter tops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a unit or serve only one unit. Unit owners shall also insure all improvements, additions and modifications (as opposed to replacements of original construction) made to their unit or limited common elements whether made by themselves or their predecessors in title.

15.2 Association Insurance; Duty and Authority to Obtain. The Board of Directors shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property, the common elements, and the condominium property required to be insured by the Association pursuant to Section 718.111(11) Florida Statutes, and obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and unit owners without naming them, and their mortgagees, as their interests shall appear. Adequate insurance coverage by the Association for "full insurable value", "replacement cost", or the like, may include reasonable deductibles as determined by the Board. The Association may self-insure against claims against the Association, the Association property, and the condominium property required to be insured by an association, upon compliance with Section 624.460-624.488, Florida Statutes. A copy of each policy of insurance in effect shall be made available for inspection by unit owners at reasonable times. The Association shall use its best efforts to obtain and maintain the following insurance coverage:

- (A) Liability. Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the unit owners as a group to a unit owner.
- (B) Automobile. Automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles, in such limits of protection and with such coverage as may be determined by the Board of Directors.
- (C) Workers' Compensation. The Association shall maintain Workers' Compensation insurance on at least a minimum premium basis.
- (D) Directors, Officers and Committee Members' Liability (Errors and Omissions).
- (E) Fidelity Bond/Insurance. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the President, Secretary, and Treasurer of the Association. The Association shall bear the cost of bonding.
- (F) Property/Hazard. Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "All Risk" property contract. Every hazard insurance policy issued or renewed on or after January 1, 2009, to protect the condominium shall provide primary coverage for:
- (1) All portions of the condominium property located outside the units;
 - (2) The condominium property located inside the units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the unit was initially conveyed; and
 - (3) All portions of the condominium property for which the Declaration of Condominium requires coverage by the Association.
 - (4) Anything to the contrary notwithstanding, the terms "condominium property", "improvements", "insurable improvements", "common elements", "association property", or any other term found in the Declaration of Condominium which defines the scope of property or casualty insurance that a condominium association must obtain shall exclude all floor, wall, and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and counter tops, window treatments, including curtains, drapes, blinds, hardware, and similar window treatments, components or replacements of any of the foregoing which are located within the

boundaries of a unit and serve only one unit. The foregoing is intended to establish the property or casualty insuring responsibilities of the Association and those of the individual unit owner in compliance with Section 718.111(11) Florida Statutes, and is not intended to broaden or extend the coverage required to be afforded by law.

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

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

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

- (A) **Common Elements.** Proceeds on account of damage to common elements shall be held in as many individual shares as there are units, the shares of each unit owner being the same as his share in the common elements.
- (B) **Units.** Proceeds on account of damage within the units shall be held in undivided shares based on the prorated amount of damage within each damaged unit as a percentage of the total damage within all units except that if the condominium is terminated then the insurance proceeds shall be allocated as provided in the Plan of Termination adopted in accordance with Section 718.117, Florida Statutes, which allocation may or may not be the same as the unit owner's share in the common elements.
- (C) **Mortgagees.** If a mortgagee endorsement has been issued as to a unit, the shares of the mortgagee and the unit owner shall be as their interest appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages which it may hold against unit or units, except to the extent that insurance proceeds exceed the actual cost of repair or restoration of the damaged building or buildings. Except as otherwise expressly provided, no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty.

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

- (A) **Cost of Reconstruction or Repair.** If the damage for which the proceeds are paid is to be reconstructed or repaired by the Association, the proceeds shall be paid to defray the costs thereof. All costs of construction and repair in excess of the insurance proceeds received by the Association shall be paid by the Association as a common expense. Any insurance proceeds remaining after paying the construction and repair costs shall become common surplus of the Association.
- (B) **Failure to Reconstruct or Repair.** If it is determined in the manner elsewhere provided herein that the damages for which the proceeds are paid shall not be reconstructed or repaired but the condominium is not to be terminated, the remaining proceeds shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. If the condominium is terminated the proceeds shall be distributed according to 718.117(17), Florida Statutes.

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

15.10 Deductibles. The Board shall establish the amount of the deductibles under the insurance policies it obtains on behalf of the Association, and other features, as it deems desirable and in its business judgment in the best interest of the Association. The party responsible for procuring insurance on an item must pay the deductible in the event of a loss involving that item, regardless of who may be responsible to maintain, repair or replace that item as provided in this Declaration. The deductibles for Association policies shall be paid by the Association as a common expense.

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

16.1 Damage to Units. Where loss or damage occurs within one or more units, any Association insurance proceeds received on account of the loss or damage shall be used as provided in Section 15 above. The Association shall be responsible for reconstruction and repair, including the costs thereof in excess of the insurance proceeds from the Association insurance, for all portions of the unit that it insures and/or is otherwise required to maintain, repair or replace pursuant to this declaration or the law. The unit owner shall be responsible for reconstruction and repair, including the costs thereof in excess of the insurance proceeds from his, her or its insurance, for all portion of the unit and/or limited common element that the owner insures and/or is otherwise required to maintain, repair or replace pursuant to this Declaration or the law. The foregoing notwithstanding, if the Board determines in its sole and exclusive discretion that due to the nature or the extent of the damage to the unit or units that it is in the best interest of the Association that all reconstruction and repair be made by the Association then the Association shall be entitled to receive all insurance proceeds, contract for the repairs, make the repairs and thereafter distribute the excess unused proceeds of the owner's insurance, if any, to the owner(s).

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

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

16.3 Damage to Units and Common Elements - "Very Substantial". As used in the Declaration, the term "very substantial" damage shall mean loss or damage whereby at least three-fourths (3/4) of the total units cannot reasonably be expected to be rendered habitable within one (1) year of the casualty. Should such "very substantial" damage occur then:

- (A) The Board of Directors and the officers, or any of them, are authorized, regardless of any other provision of this Declaration, to take such action as may reasonably appear to be necessary under emergency conditions. This authority includes actions to protect life and property, to evacuate or shore-up structures and salvage property, to engage security to protect against looting or other criminal acts, and to alter the condominium property or association property as might be reasonable under the circumstances to protect the condominium property or association property from further damage or deterioration. This authority includes the authority to expend any and all available association funds, including reserves.
- (B) The Board of Directors shall endeavor to obtain comprehensive, detailed estimates of the cost of repair and restoration.
- (C) A meeting of the members shall be held not later than sixty (60) days after the Board has obtained the estimates, to determine the opinion of the membership with reference to rebuilding or termination of the Condominium, subject to the following:
 - (1) If the insurance proceeds, reserves and other association funds available for the restoration and repairs that are the Association's responsibility are sufficient to cover the estimated cost thereof so that it is reasonably anticipated that the repairs and reconstruction can be accomplished without levying a special assessment that exceeds fifty percent (50%) of the total annual budget for the condominium in the year in which the casualty occurred, the Condominium shall be repaired and reconstructed unless the owners otherwise vote to terminate the Condominium.

- (2) If upon the advise of legal counsel and engineers, it appears unlikely that the then applicable zoning or other regulatory laws will allow reconstruction of the same number and general types of units, or if reconstruction shall constitute economic waste or impossibility as provided in Section 718.117(2), Florida Statutes, or if the insurance proceeds, reserves and other association funds available for restoration and repair are not sufficient to cover the estimated cost thereof, and it is reasonably anticipated that the repairs and reconstruction can be accomplished only by levying special assessments exceeding fifty percent (50%) of the total annual budget for the Condominium in the fiscal year in which the casualty occurred, a vote to terminate the Condominium shall be conducted pursuant to 718.117, Florida Statutes. If the unit owners vote against termination, and shall proceed with the necessary repairs and restoration. The proceeds from the special assessment shall be added to the funds available for repair and reconstruction.

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

16.4 Application of Insurance Proceeds. It shall be presumed that the first monies disbursed for repair and restoration are from insurance proceeds; if there is a balance left in the funds held by the Association after the payment of all costs of repair and restoration, such balance shall be distributed to the unit owners, except as otherwise provided in Section 15 above.

16.5 Equitable Relief. In the event of damage to the common elements which renders any unit uninhabitable, and the damage is not repaired, reconstructed, or rebuilt within a reasonable period of time, the owner of the uninhabitable unit may petition a court for equitable relief, which may include a termination of the Condominium and a partition. For the purpose of this provision, it shall be presumed that repair, reconstruction or rebuilding has occurred within a reasonable period of time if substantial work is commenced within one (1) year following the damage or destruction, and is completed within twelve (12) months thereafter. In the case of "very substantial" damage the condominium will be rebuilt. The Board shall commence and complete construction as soon as practicable under the circumstances.

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

17. CONDEMNATION:

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

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

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

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

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

- (A) **Restoration of Unit.** The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be paid by the owner of the Unit.
- (B) **Distribution of Surplus.** The balance of the award, if any, shall be distributed to the owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the owner and mortgagees.
- (C) **Adjustment of Shares in Common Elements.** If the floor area of a Unit is reduced by the taking, the number representing the share in the common elements appurtenant to the Unit shall be reduced in the proportion by which the floor area of the Unit is reduced by the taking, and then the shares of all Unit owners in the common elements shall be restated as percentages of the total of the numbers representing their original shares as reduced by the taking.

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

- (A) Payment of Award. The fair market value of the Unit immediately prior to the taking shall be paid to the owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the owner and mortgagee(s).
- (B) Addition to Common Elements. If possible and practical, the remaining portion of the Unit shall become a part of the common elements and shall be placed in condition for use by some or all Unit owners in a manner approved by the Board of Directors.
- (C) Adjustment of Shares in Common Elements. The shares in the common elements appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the common elements among the reduced number of Unit owners. This shall be done by restating the shares of continuing Unit owners in the common elements as percentages of the total of the numbers representing the shares of these as they existed prior to the adjustment.
- (D) Assessments. If the amount of the award for the taking is not sufficient to pay the fair market value of the condemned Unit to the Unit owner and to condition the remaining portion of the Unit for use as a part of the common elements, the additional funds required for those purposes shall be raised by special assessment against all Unit owners who will continue as owners of Units after the changes in the Condominium affected by the taking. The assessments shall be made in proportion to the shares of those owners in the common elements after the changes affected by the taking.
- (E) Arbitration. If the fair market value of a Unit prior to the taking cannot be determined by agreement between the Unit owner and the Association within thirty (30) days after notice by either party, the value shall be determined by appraisal in accordance with the following. The Unit owner, the first mortgagee, if any, and the Association shall each appoint one certified real property appraiser, who shall appraise the Unit and determine the fair market value by computing the arithmetic average of their appraisals of the Unit. A judgment of specific performance upon the fair market value calculated in this way may be entered in any court of competent jurisdiction. Each party shall bear the cost of his own appraiser.

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

17.8 Amendment of Declaration. Any changes in Units and in the common elements, in the ownership of the common elements, and in the sharing of common expenses that are necessitated by condemnation shall be accomplished by amending this Declaration in accordance with Sections 17.5 and 17.6 above. Such amendment need be approved only by the owners of a majority of the Units. The consent of lien holders is not required for any such amendment.

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

18.1 Agreement. The Condominium may be terminated at any time by written agreement of the owners of at least ninety percent (90%) of the units.

18.2 "Very Substantial Damage." If the condominium suffers "very substantial damage" to the extent defined in Section 16.3 above, and it is not decided as therein provided that the Condominium will be reconstructed or repaired, the condominium form of ownership of the property in this Condominium will be terminated.

18.3 Certificate of Termination; Termination Trustee. The termination of the Condominium by either of the foregoing methods shall be evidenced by a Certificate of Termination, executed by the President or Vice President with the formalities of a deed, and certifying as to the facts effecting the termination. The certificate shall also include the name and address of a Florida financial institution with trust powers, or a licensed Florida attorney, who is designated by the Association to act as Termination Trustee, and shall be signed by the Trustee indicating willingness to serve in that capacity. Termination of the Condominium occurs when a Certificate of Termination meeting the requirements of this Section 15 is recorded in the Public Records of Collier County, Florida. The recording of that Certificate of Termination automatically divests the Association and all unit owners of legal title, and vests legal title in the Termination Trustee named in the Certificate of Termination, to all real and personal property which was formerly the condominium property or association property, without need for further conveyance. Beneficial title to the former condominium and association property is owned by the former unit owners as tenants in common, in the same undivided shares as each owner previously owned in the common elements. Upon termination, each lien encumbering a condominium parcel shall be automatically transferred to the equitable share in the condominium property attributable to the unit encumbered by the lien, with the same priority. Termination incident to a merger of this Condominium with another shall not require designation of a Termination Trustee.

18.4 Wind-up of Association Affairs. The termination of the Condominium does not, by itself, terminate the Association. The former unit owners and their successors and assigns shall continue to be members of the Association, and the members of the Board of Directors and the officers of the Association shall continue to have the powers granted in this Declaration, and in the Articles of Incorporation and Bylaws, including the power to levy assessments, for the purpose of maintaining and protecting the property and winding up the affairs of the Association in accordance with this Section.

18.5 Trustee's Powers and Duties. The Termination Trustee shall hold title to the property for the benefit of the former unit owners and their successors, assigns, heirs, devisees, mortgagees and other lien holders, as their interests shall appear. If the former unit owners approve a sale of the property as provided in this Section, the Termination Trustee shall have the power and authority to convey title to the real property, and to distribute the proceeds in accordance with the provisions of this Declaration. The Termination Trustee shall also have the power and authority to liquidate the assets of the Association upon its dissolution, and to distribute the proceeds as described herein. The Termination Trustee shall be entitled to charge a reasonable fee for acting in such capacity, and such fee, and all costs and expenses incurred by the Termination Trustee in the performance of its duties, shall be paid by the Association or taken from the proceeds of the sale of the former condominium and association property, and shall constitute a lien on the property superior to any other lien until paid. The Trustee shall be entitled to indemnification by the Association from any and all liabilities and costs incurred by virtue of acting a Termination Trustee, unless such liabilities are the result of gross negligence or intentional wrongdoing. The Termination Trustee may rely upon written instructions and information provided by the officers, Directors and agents of the Association, and shall not be required to inquire beyond such information and instructions.

18.6 Partition: Sale. Following termination, the former condominium property and association property may be partitioned and sold upon the application of any unit owner. If following a termination, at least six (6) of the voting interests agree to accept an offer for the sale of the property, the Board of Directors shall notify the Termination Trustee, and the Trustee shall complete the transaction. In that event, any action for partition of the property shall be held in abeyance pending the sale, and upon the consummation of the sale shall be discontinued by all parties thereto. If the unit owners have not authorized a sale of the former condominium and association property within one year after the recording of the Certificate of Termination, the Trustee may proceed to sell the property without agreement by the former unit owners. The proceeds of the sale of any of the property or assets of the Association shall be distributed by the Termination Trustee to the beneficial owners thereof, as their interests shall appear.

18.7 Provisions Survive Termination. The provisions of this Section 18 are covenants running with the land, and shall survive the termination of the Condominium until all matters covered by those provisions have been completed. The Board of Directors shall continue to function in accordance with the Bylaws and Articles of Incorporation, and shall have the power to levy assessments to pay the costs and expenses of maintaining the property until it is sold. The costs of termination, the fees and expenses of the Termination Trustee, as well as post-termination costs of maintaining the former condominium property, are common expenses, the payment of which is secured by a lien on the beneficial interest owned by each former unit owner, which to the maximum extent permitted by law, shall be superior to, and take priority over, all other liens.

19. ENFORCEMENT:

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

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

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

19.3 Attorney's Fees. In any legal proceeding arising out of an alleged failure of a guest, tenant, Unit owner or the Association to comply with the requirements of the Condominium Act, the condominium documents, or the Association's rules and regulations, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorneys fees as may be awarded by the court. Except that, the Association is precluded from recovering attorney's fees and costs resulting from a legal proceeding involving matters that were the subject of a written complaint that the Unit owner filed with the Board by certified mail if the Board did not substantively respond to such complaint in a timely manner as required by law.

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

20. RIGHTS OF MORTGAGEES:

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

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

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

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

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

20.6 Financial Statement. Any institutional mortgagee is entitled, upon written request, to a copy of the financial statement of the Association for the immediately preceding fiscal year.

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

- (A) Any sixty (60) day or longer delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds a mortgage.
- (B) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (C) Any proposed action that requires the consent of a specified percentage of mortgage holders.

20.8 Association Not Liable. The Association shall not be liable to any Mortgagee for the failure to comply with any portion of this Section 20.

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

21.1 Proposal. Amendments to this Declaration may be proposed by the Board of Directors, or by written petition to the Board signed by the owners of at least a majority of the Units.

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

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

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

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

21.6 Enlargement of Common Elements . The common elements designated by this Declaration may be enlarged to add real property acquired by the Association through amendment of Exhibits "A" and "C" to this Declaration. The amendment must be approved by the procedure set forth in Section 21.5 above. The amendment divests the Association of title and vests title in the Unit owners without naming them and without further conveyance, in the same proportion as the undivided shares in the common elements that are appurtenant to the Units.

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

22. MISCELLANEOUS

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

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

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

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

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

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

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

23. DISCLAIMER OF LIABILITY OF ASSOCIATION. NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BYLAWS, OR ANY RULES AND REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING, BINDING ON OR ADMINISTERED BY THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OR ANY SUCH PERSONS, WITHOUT LIMITING THE FOREGOING:

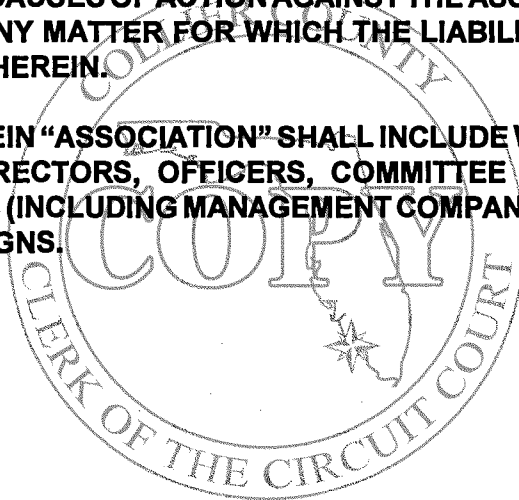
23.1 IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTIES HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE PROPERTIES AND THE VALUE THEREOF:

23.2 THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, COLLIER COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTUOUS ACTIVITIES.

23.3 ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO THE HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

23.4 EACH OWNER AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON ANY PORTION OF THE PROPERTIES SHALL BE BOUND BY THESE DISCLAIMERS AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED HEREIN.

23.5 AS USED HEREIN "ASSOCIATION" SHALL INCLUDE WITH ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS.



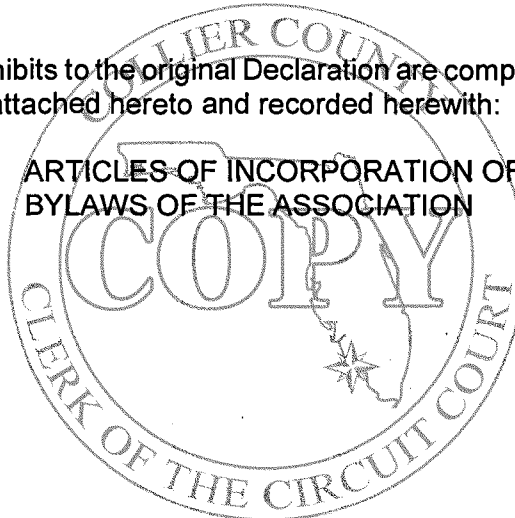
EXHIBITS TO DECLARATION

The following exhibits were recorded on December 31, 1980, together with the Declaration of Condominium of The Parador, a Condominium, by Declaration created on the same date, at Book 898, Page 478 et seq., Public Records of Collier County, Florida. These exhibits, as previously amended to date, are hereby incorporated by reference as exhibits to the attached Amended and Restated Declaration of Condominium.

- EXHIBIT "A" - LEGAL DESCRIPTION OF CONDOMINIUM PROPERTY
- EXHIBIT "B" - SCHEDULE OF PERCENTAGE INTERESTS
- EXHIBIT "C" - SURVEY (copy attached) (Original also recorded in Condominium Book 17, at Page 35, Public Records of Collier County, Florida)
- EXHIBIT "D" - PLOT PLANS (copy attached) (Original also recorded in Condominium Book 17, at Pages 36 through 38, Public Records of Collier County, Florida)

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

- EXHIBIT "E" - ARTICLES OF INCORPORATION OF ASSOCIATION
- EXHIBIT "F" - BYLAWS OF THE ASSOCIATION



O.R. 898 PG 0510

Lots 14, 15 and 16, COQUINA SANDS, Unit No. 1, according to the plat thereof, recorded in Plat Book 3, pages 21 and 22, of the Public Records of Collier County, Florida, together with those portions of a certain alley vacated by City of Naples Ordinance No. 1381, a certified copy of which is recorded in Official Record Book 274, page 327, and by that certain corrective City of Naples Ordinance No. 1395, a certified copy of which is recorded in Official Record Book 278, page 952, both of the Public Records of Collier County, Florida.

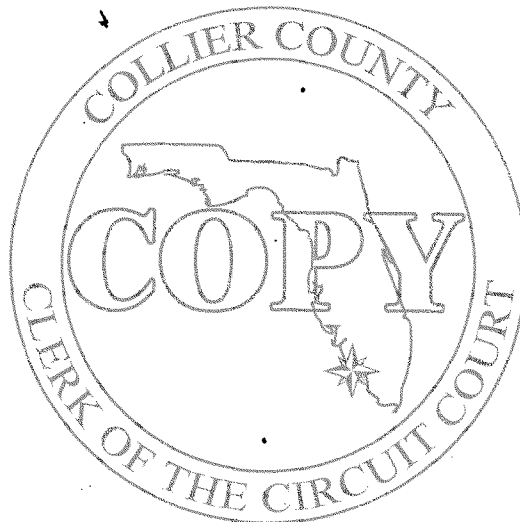


EXHIBIT A

O.R. 898 PG 0511

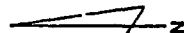
SCHEDULE OF PERCENTAGE INTERESTS

<u>Unit No.</u>	<u>Percentage</u>
101	6.1875
102	5.0500
103	5.0500
104	6.1875
201	6.1875
202	5.0500
203	5.0500
204	6.1875
301	6.1875
302	5.0500
303	5.0500
304	6.1875
401	6.1875
402	5.0500
403	5.0500
404	6.1875
502	5.0500
503	5.0500
Total	100.0000%

[illegible]

LOTS 14, 15 AND 16, COQUINA SANDS, UNIT NO.1, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGES 21 AND 22, OF THE PUBLIC RECORDS OF COLLIER COUNTY, FLORIDA. TOGETHER WITH THOSE PORTIONS OF A CERTAIN ALLEY VACATED BY CITY OF MAPLES ORDINANCE NO. 1301, A CERTIFIED COPY OF WHICH IS RECORDED IN OFFICIAL RECORD BOOK 276, PAGE 985, THAT CORRECTIVE CITY OF MAPLES ORDINANCE NO. 1305, A CERTIFIED COPY OF WHICH IS RECORDED IN OFFICIAL RECORD BOOK 276, PAGE 985, BOTH OF THE PUBLIC RECORDS OF COLLIER COUNTY, FLORIDA.

PLOT PLAN



SCALE - 1" = 20'

JOSEPH S. SPENCER, A SURVEYOR AUTHORIZED TO PRACTICE IN THE STATE OF FLORIDA, HEREBY CERTIFY THAT THE CONSTRUCTION OF THE IMPROVEMENTS IS SUBSTANTIALLY COMPLETED SO THAT THE MATERIAL, TOGETHER WITH THE PROVISIONS OF THE DECLARATION DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS, AND THAT THE IDENTIFICATION, LOCATION AND DIMENSIONS OF THE COMMON ELEMENTS AND OF EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS.

DATED THIS 19 TH DAY OF DECEMBER 1960

BRUCE GREEN & ASSOCIATES, INC.

Joseph L. Boye

JOSEPH E ROOSE
PROFESSIONAL LAND SURVEYOR NO 2010
STATE OF FLORIDA

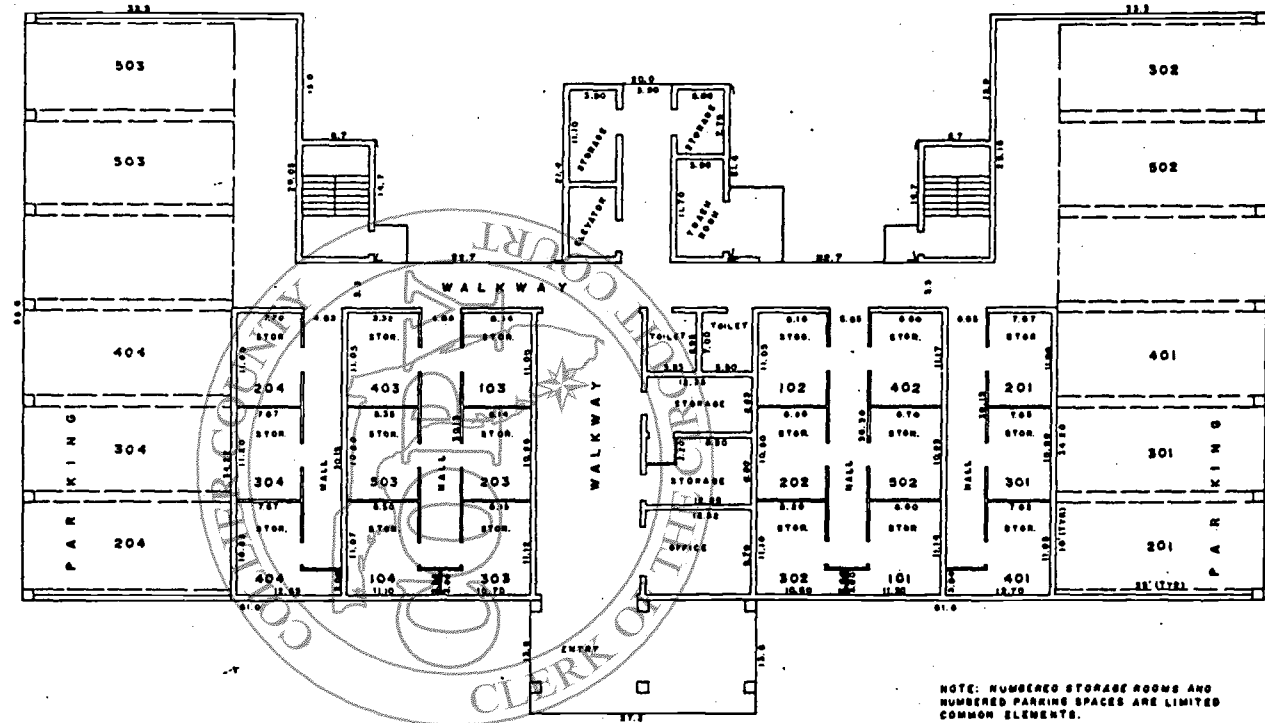
115	UNIT# 302,303
116	3TH FLOOR FIN PL. ELEV. 23.07
117	UNIT# 401,402,403,404
118	4TH FLOOR FIN PL. ELEV. 45.08
119	UNIT# 501,502,503,504
120	5TH FLOOR FIN PL. ELEV. 33.15
121	UNIT# 601,602,603,604
122	6TH FLOOR FIN PL. ELEV. 26.71
123	UNIT# 101,102,103,104
124	1ST FLOOR FIN PL. ELEV. 17.05
125	GROUND FLOOR FIN PL. ELEV. 7.00

ELEVATIONS BASED ON M.S.P. DATUM

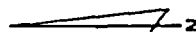
EXHIBIT "C"
SHEET 1 OF 4

THE PARADOR A CONDOMINIUM NAPLES, FLA		BRYCE BAKER & ASSOCIATES, INC. LAND SURVEYORS & ENGINEERS NAPLES, FLORIDA	
SECTION	TRACT	BOOK	PAGE
SECTION 01	01	BOOK 01	PAGE 01
OWNER	BRYCE BAKER & ASSOCIATES, INC. 1000 1ST AVENUE NAPLES, FL 34102		

THE PARADOR, A CONDOMINIUM



NOTE: NUMBERED STORAGE ROOMS AND
NUMBERED PARKING SPACES ARE LIMITED
COMMON ELEMENTS.



SCALE = 1/8" = 1'-0"

GROUND FLOOR PLAN

EXHIBIT "D"
SHEET 2 OF 4

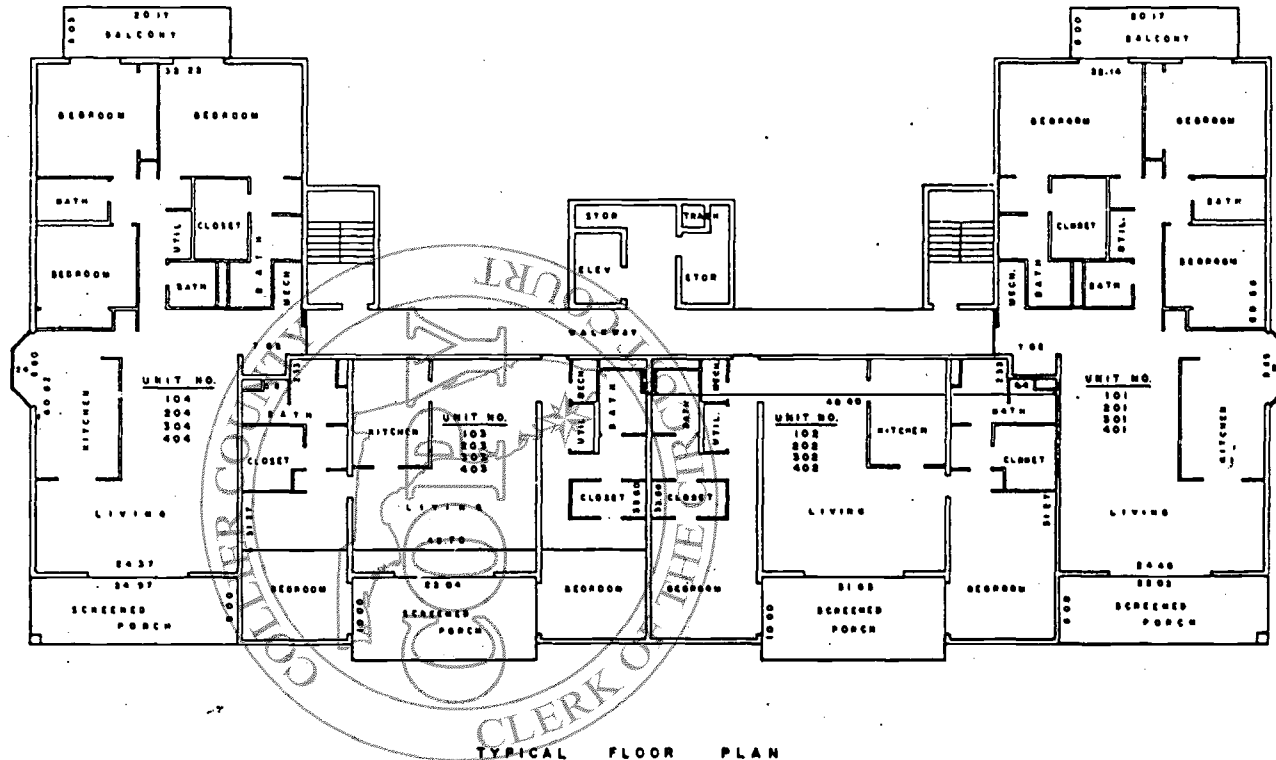
<p>THE PARADOR A CONDOMINIUM GROUND FLOOR</p>	<p>CONCESSION & ASSOCIATES, INC. LAND SURVEYORS & ENGINEERS CLARK COUNTY, NEVADA DATE: 11-11-88 BY: [Signature] CHECKED: [Signature]</p>
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O.R. 898 PG 0513

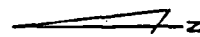
EXHIBIT D

O.R. 898 PG 0514

THE PARADOR, A CONDOMINIUM



TYPICAL FLOOR PLAN



SCALE = 1/8" = 1'-0"

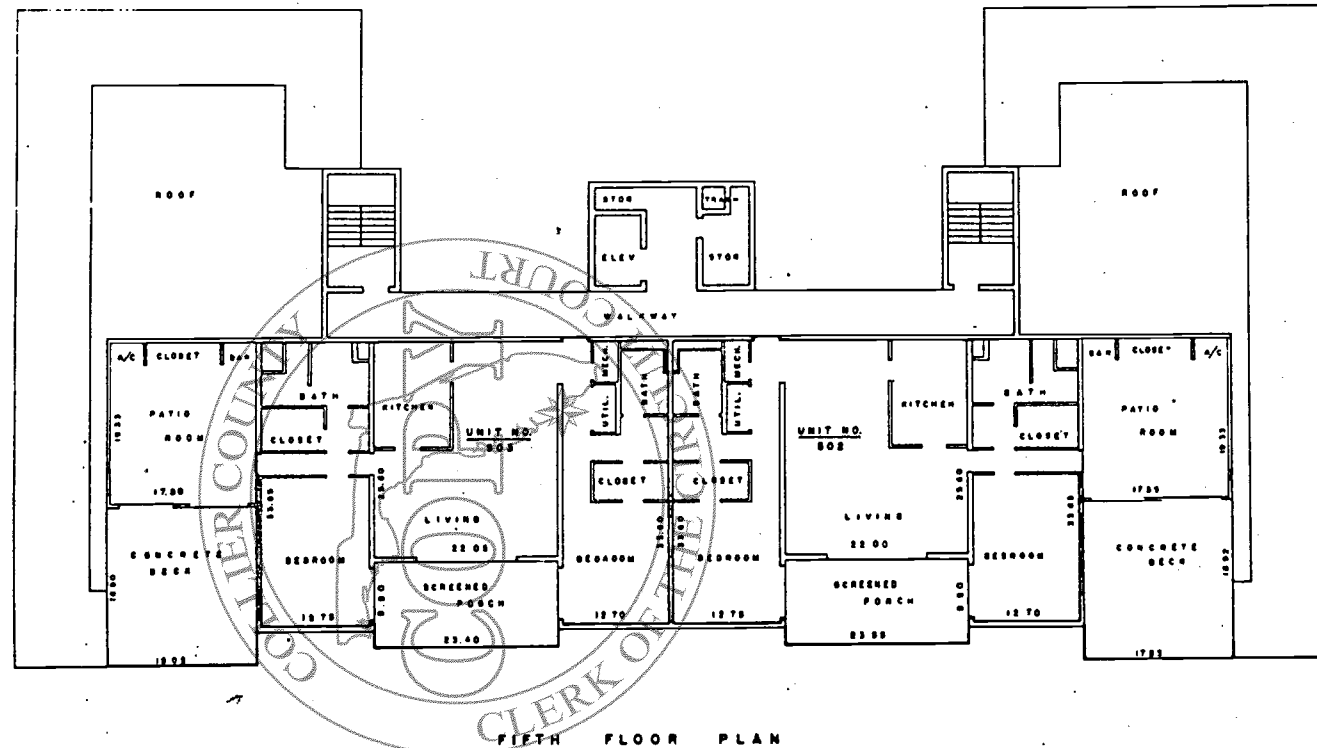
FIRST, SECOND, THIRD, AND FOURTH FLOOR

EXHIBIT "D"
SHEET 3 OF 4

THE PARADOR A CONDOMINIUM TYPICAL FLOOR	OFFICE GRACE & ASSOCIATES, INC. LAND SURVEYORS & ARCHITECTS REGISTERED PROFESSIONALS DATE: 10/1/89 BY: [Signature] CHECKED: [Signature]
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EXHIBIT D

THE PARADOR, A CONDOMINIUM



FIFTH FLOOR PLAN

EXHIBIT "D"
SHEET 4 OF 4

THE PARADOR, A CONDOMINIUM		SPACE SNEED & ASSOCIATES, INC.	
FIFTH FLOOR		LAWYER REPRESENTING THE DEVELOPER	
		DATE: 12-21-83	
		BY: [Signature]	

**NOTICE OF VOTE TO FOREGO FIRE SPRINKLER
RETROFITTING AND ENGINEERED LIFE SAFETY
SYSTEM INSTALLATION IN UNITS AND COMMON
ELEMENTS
IN
PARADOR, A CONDOMINIUM**

THE UNDERSIGNED, being the President of PARADOR CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, does hereby certify that pursuant To Section 718.112(2)(I), Florida Statutes, 2010, the members of the Parador Condominium Association, Inc., voted to forego retrofitting the units and common elements with fire sprinkler and life safety systems as provided in Chapter 633, Florida Statutes, 2010. At the members' meeting which was held on February 24, 2010 at least two-thirds (2/3) of all voting interests in the Condominium voted to forego the retrofitting.

The Amended and Restated Declaration of Condominium for Parador, A Condominium, is recorded at O.R. Book 4508, Page 2468, *et seq.*, of the Public Records of Collier County, Florida, and the original Declaration of Condominium is recorded in O.R. Book 898, Page 478, *et seq.*, Public Records of Collier County, Florida.

Dated this 22 day of March, 2010.

Witnesses:

PARADOR CONDOMINIUM

Sign: Shirley Hingslon

ASSOCIATION, INC.

Print: Shirley Hingslon

BY: Pam Kornel

Pam Kornel President of the Association

Sign: James E Lavinski

Print: JAMES E LAVINSKY

**STATE OF FLORIDA
COUNTY OF COLLIER**

The Foregoing Instrument was acknowledged before me this 22nd day of March, 2010, by Pam Korn, as **President** of **PARADOR CONDOMINIUM ASSOCIATION, INC.**, a Florida non-profit corporation, on behalf of said corporation. Said person is personally known to me or has produced _____ as identification and did (did not) take an oath.

(SEAL/STAMP)

Signed: _____

Print: _____

Notary Public – State Florida

of _____

Serial Number: _____

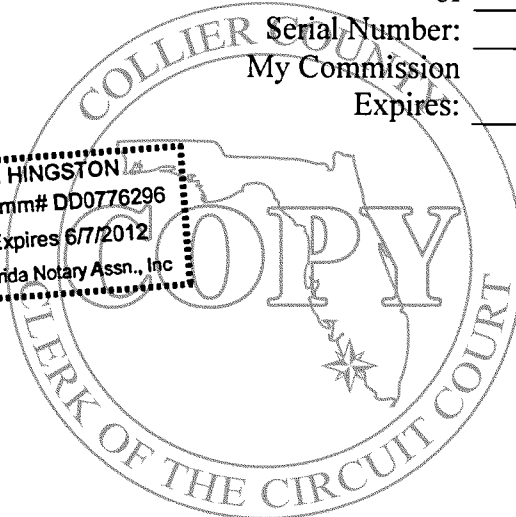
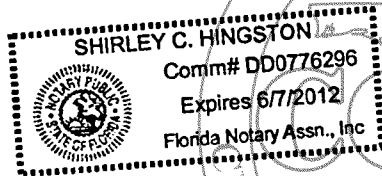
My Commission

Expires: _____

Shirley Hingston
Shirley Hingston

DD0776296

6-7-2012



PREPARED BY:
RICHARD D. DeBOEST, II, ESQ.
CONDO & HOA LAW GROUP, LLC
2030 McGregor Boulevard
Fort Myers, FL 33901
239-333-2992

CERTIFICATE OF AMENDMENT TO AMENDED AND RESTATED DECLARATION
OF CONDOMINIUM
FOR
THE PARADOR, A CONDOMINIUM

THE UNDERSIGNED, being the President of PARADOR CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, does hereby certify that the attached Amendments to the Amended and Restated Declaration of Condominium for Parador, A Condominium, as recorded at O.R. Book 4508, Page 2468, *et seq.*, of the Public Records of Collier County, Florida, were duly approved, adopted and enacted by the affirmative vote of the required percentage of unit owners at a meeting called for that purpose at which a quorum was presented held on the 24th day of February, 2010. The original Declaration of Condominium is recorded in O.R. Book 898, Page 478, *et seq.*, Public Records of Collier County, Florida.

Dated this 22 day of March, 2010.

Witnesses:

Sign: Judith J. Easley
Print: Judith J. Easley

Sign: James E. Lavinski
Print: JAMES E. LAVINSKI

PARADOR CONDOMINIUM
ASSOCIATION, INC.

BY: Pam Korns
Pam Korns President of the Association

STATE OF FLORIDA
COUNTY OF COLLIER

The Foregoing Instrument was acknowledged before me this _____ day of March, 2010, by Pam Korns, as **President of PARADOR CONDOMINIUM ASSOCIATION, INC.**, a Florida non-profit corporation, on behalf of said corporation. Said person is personally known to me or has produced _____ as identification and did (did not) take an oath.

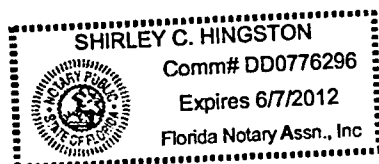
(SEAL/STAMP)

Signed: Shirley Hingston
Print: Shirley Hingston

Notary Public – State of Florida

Serial Number: DD0776296

My Commission Expires: 6-7-2012



**AMENDMENTS
TO
AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
FOR
THE PARADOR, A CONDOMINIUM**

The Declaration shall be amended as follows:

(Note: Words ~~stricken~~ are deletions; Words underlined are additions.)

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

- (A) Electrical wiring up to the circuit breaker panel in each Unit.
- (B) Rough plumbing.
- (C) All installations, fixtures and equipment located within one Unit but serving another Unit, or located outside the Unit, for the furnishing of utilities to more than one Unit or the common elements.
- (D) The entrance doors to the Units and storage lockers and their exterior surfaces.
- (E) All exterior building walls, including balcony walls.
- (F) All railings on the exterior of the building.
- ~~(G) Maintenance, repair and replacement of windows and window glass.~~

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a Unit and serving only that Unit. All incidental damage caused to a Unit or limited common elements by work performed or ordered to be performed by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition made by a Unit without prior Association approval as required elsewhere herein, nor shall the Association be responsible for repair or restoration costs if the need for the work was caused by the negligence of the owner.

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

- (A) Maintenance, repair and replacement of screens and shutters.
- (B) The interior surface of the entrance door to the Unit and storage locker.

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

Prepared by:
Richard DeBoest, Esquire
CONDO & HOA LAW GROUP, LLC
2030 McGregor Boulevard
Fort Myers, FL 33901
Tel: (239) 333-2992

**NOTICE OF MEMBERS' ELECTION TO
ALLOCATE RESPONSIBILITY FOR CASUALTY LOSSES ACCORDING TO
THE DECLARATION OF CONDOMINIUM THE PARADOR, A CONDOMINIUM**

The undersigned, being the President of PARADOR CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, does hereby certify that the Association has voted to opt out of the provisions of Section 718.111(11) (j), Florida Statutes, regarding the allocation of repair and reconstruction expenses, and elected to allocate repair and reconstruction expenses in any instance where insurance proceeds have not been collected for any reason, including, but not limited to, the operation of the deductible, policy limits, or exclusions; and/or denial or contest by the carrier or failure of the carrier, in the manner provided in the Amended and Restated Declaration of Condominium for The Parador, a Condominium, as amended, originally recorded in Official Record Book 898, Page 478, *et seq.*, in the Public Records of Collier County, Florida, and all amendments thereto.

The election by the members was duly approved, adopted, and enacted by the affirmative vote of the required percentage of voting interests at Special Members meeting held on May 26, 2010 at which a quorum was present and for which due notice was given.

Dated this 18 day of June, 2010.

Witnesses:

Sign: Shirley Hingston
Print: Shirley Hingston
Sign: James E. Lavinski
Print: JAMES E. LAVINSKI

**PARADOR CONDOMINIUM
ASSOCIATION, INC.**

Sign: Pam Korns (Seal)
Print: Pam Korns
Title: President

STATE OF FLORIDA
COUNTY OF COLLIER

RECEIVED

JUN 18 2010

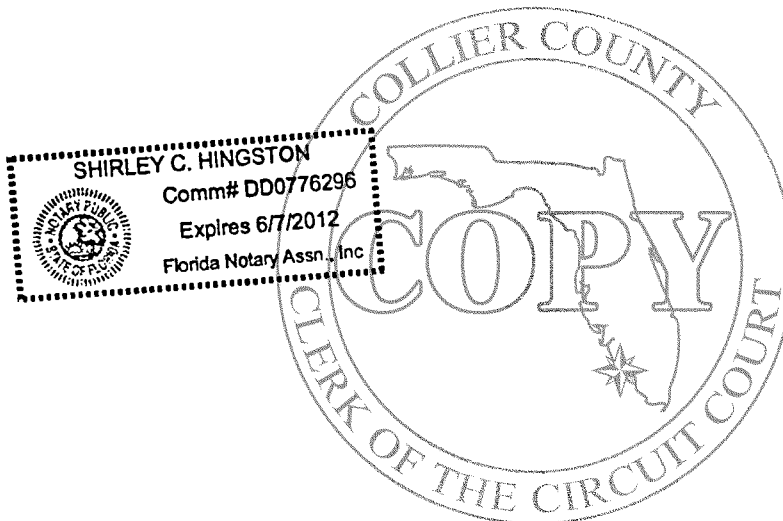
ANCHOR ASSOC INC

THE FOREGOING INSTRUMENT was acknowledged before me this 18th day of June, 2010, by Pam Korn, as **President of Parador Condominium Association, Inc.**, who (check one):

✓ is personally known to me
_____ produced _____ as identification.

(SEAL/STAMP)

Signed: Shirley Hingston
Print: Shirley Hingston
Notary Public – State of Florida
Serial Number: DD0776296
My Commission Expires: 6-7-2012



PREPARED BY:
RICHARD D. DeBOEST, II, ESQ.
CONDO & HOA LAW GROUP, LLC
2030 McGregor Boulevard
Fort Myers, FL 33901
239-333-2992

**CERTIFICATE OF AMENDMENT TO AMENDED AND RESTATED DECLARATION
OF CONDOMINIUM
FOR
THE PARADOR, A CONDOMINIUM**

THE UNDERSIGNED, being the President of PARADOR CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, does hereby certify that the attached Amendments to the Amended and Restated Declaration of Condominium for Parador, A Condominium, as recorded at O.R. Book 4508, Page 2468, *et seq.*, of the Public Records of Collier County, Florida, were duly approved, adopted and enacted by the affirmative vote of the required percentage of unit owners at a meeting called for that purpose at which a quorum was presented held on the 26th day of May, 2010. The original Declaration of Condominium is recorded in O.R. Book 898, Page 478, *et seq.*, Public Records of Collier County, Florida.

Dated this 18 day of June, 2010.

Witnesses:

Sign: Shirley Hingston
Print: Shirley Hingston

**PARADOR CONDOMINIUM
ASSOCIATION, INC.**

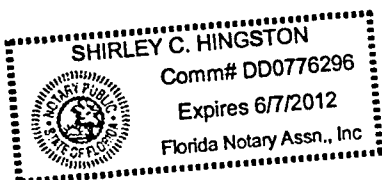
BY: Pam Korn
Pam Korn President of the Association

Sign: _____
Print: _____

**STATE OF FLORIDA
COUNTY OF COLLIER**

The Foregoing Instrument was acknowledged before me this 18 day of June, 2010, by Pam Korn, as **President of PARADOR CONDOMINIUM ASSOCIATION, INC.**, a Florida non-profit corporation, on behalf of said corporation. Said person is personally known to me or has produced _____ as identification and did (did not) take an oath.

(SEAL/STAMP)



Signed: Shirley Hingston
Print: Shirley Hingston
Notary Public – State of Florida
Serial Number: DD0776296
My Commission Expires: 6-7-2012

**AMENDMENTS TO THE DECLARATION OF CONDOMINIUM
FOR
THE PARADOR, A CONDOMINIUM**

NOTE: THE FOLLOWING IS SUBSTANTIAL REVISION OF SECTIONS 15 AND 16. SEE ORIGINAL SECTIONS FOR ORIGINAL TEXT.

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

15.1 **By the Unit Owner.** Each Unit shall carry hazard and liability insurance in accordance with and as required by Section 718.111(11) F.S., with endorsements for leakage, seepage and wind-driven rain, additions and alterations, and loss assessment protection. Each insurance policy issued to an individual Unit owner providing such coverage shall be without rights of subrogation against the condominium association that operates the condominium in which such Unit owner's Unit is located. All real or personal property located within the boundaries of the Unit owner's Unit which is excluded from the coverage to be provided by the association as set forth in Section 15.2 below shall be insured by the individual Unit owner including all floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Unit or serve only one Unit. Unit owners shall also insure all improvements, additions and modifications (as opposed to replacements of original construction) made to their Unit or limited common elements whether made by themselves or their predecessors in title.

15.2 **Association Insurance: Duty and Authority to Obtain; Opting out of 718.111(11)(i) F.S.** The Unit Owners hereby elect to have the Association "opt out" of the provisions of Section 718.111(11) (j), Florida Statutes, 2010, regarding the allocation of repair and reconstruction expenses, and elect to allocate repair and reconstruction expenses to the individual Unit Owner as provided in this Declaration, in any instance where insurance proceeds, have not been collected, for any reason, including but not limited to: the operation of the deductible, policy limits, exclusions; denial or contest by the carrier or failure of carrier. The Board of Directors shall use its best efforts to obtain and maintain adequate insurance to protect the association, the association property, the common elements, and the condominium property required to be insured by the association pursuant to Section 718.111(11) Florida Statutes, and obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the Unit owners without naming them, and their mortgagees, as their interests shall appear. Adequate insurance coverage by the Association for "full insurable value," "replacement cost," or the like, may include reasonable deductibles as determined by the board. The Association separately or as a group of associations may self-insure against claims against the

association, the association property, and the condominium property required to be insured by an association, upon compliance with Sections 624.460-624.488, Florida Statutes. A copy of each policy of insurance in effect shall be made available for inspection by Unit owners at reasonable times. The Association shall use its best efforts to obtain and maintain the following insurance coverage:

- (A) Liability. Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the Unit owners as a group to a Unit owner.
- (B) Automobile. Automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles, in such limits of protection and with such coverage as may be determined by the Board of Directors.
- (C) Workers' Compensation. The Association shall maintain Workers' Compensation insurance on at least a minimum premium basis.
- (D) Directors, Officers and Committee Members' Liability (Errors and Omissions).
- (E) Fidelity Bond/Insurance. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the association. The association shall bear the cost of bonding.
- (F) Property/Hazard. Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "All Risk" property contract. Every hazard insurance policy issued or renewed on or after January 1, 2009, to protect the condominium shall provide primary coverage for:
 - 1. All portions of the condominium property located outside the Units;
 - 2. The condominium property located inside the Units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the Unit was initially conveyed; and

3. All portions of the condominium property for which the declaration of condominium requires coverage by the association.
4. Anything to the contrary notwithstanding, the terms "condominium property," "building," "improvements," "insurable improvements," "common elements," "association property," or any other term found in the declaration of condominium which defines the scope of property or casualty insurance that a condominium association must obtain shall exclude all floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit. The foregoing is intended to establish the property or casualty insuring responsibilities of the association and those of the individual Unit owner and do not serve to broaden or extend the perils of coverage afforded by any insurance contract provided to the individual Unit owner.

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

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

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

- (A) Common Elements. Proceeds on account of damage to common elements shall be held in as many individual shares as there are Units, the shares of each Unit owner being the same as his share in the common elements.
- (B) Units. Proceeds on account of damage within the Units shall be held in undivided shares based on the prorated amount of damage within each damaged Unit as a percentage of the total damage within all Units except that if the Condominium is terminated then the insurance proceeds shall be allocated as provided in the Plan of Termination adopted in accordance with Section 718.117, F.S., which allocation may or may not be the same as the

Unit Owner's share in the common elements.

- (C) Mortgagees. If a mortgagee endorsement has been issued as to a Unit, the shares of the mortgagee and the Unit owner shall be as their interests appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages which it may hold against Unit or Units, except to the extent that insurance proceeds exceed the actual cost of repair or restoration of the damaged building or buildings. Except as otherwise expressly provided, no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty.

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

- (A) Cost of Reconstruction or Repair. If the damage for which the proceeds are paid is to be reconstructed or repaired by the Association, the remaining proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying costs shall be distributed to the beneficial owners, remittances to Unit owners and their mortgagees being paid jointly to them.
- (B) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided herein that the damages for which the proceeds are paid shall not be reconstructed or repaired but the Condominium is not to be terminated, the remaining proceeds shall be distributed to the beneficial owners, remittances to Unit owners and their mortgagees being payable jointly to them. If the Condominium is terminated the proceeds shall be distributed according to 718.117(17) F.S.

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

15.8 Deductibles. The Board shall establish the amount of the deductibles under the insurance policies it obtains on behalf of the Association, and other features, as it deems desirable and in its business judgment in the best interest of the Association. **The deductible shall be paid by the party who would be liable for the loss or responsible for the repairs in the absence of insurance. If multiple parties would be responsible, the deductible shall be allocated among them in relation to the amount each party's loss bears to the total as determined by the Board.**

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

16.1 Damage to Units. Where loss or damage occurs within one or more Units, any Association insurance proceeds received on account of the loss or damage shall be distributed to the owner(s) of the damaged Unit(s) in shares as provided in Section 15 above. The owner(s) of the damaged Unit(s) shall be responsible for reconstruction and repair, including any costs in excess of the insurance proceeds from the Association insurance. The foregoing notwithstanding, if the Board determines in its sole and exclusive discretion that due to the nature or the extent of the damage to the Unit or Units that it is in the best interest of the Association that the reconstruction and repair be made by the Association then the Association shall be entitled to retain the insurance proceeds, contract for the repairs, make the repairs and thereafter distribute the excess unused proceeds, if any, to the owner(s).

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

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

16.3 Damage to Units and Common Elements "Very Substantial". As used in the Declaration, the term "very substantial" damage shall mean loss or damage whereby at least three-fourths ($3/4^{\text{th}}$) of the total Units cannot reasonably be expected to be rendered habitable within one (1) year of the casualty. Should such "very substantial" damage occur then:

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

any and all available association funds, including reserves.

- (B) The Board of Directors shall endeavor to obtain comprehensive, detailed estimates of the cost of repair and restoration.
- (C) A meeting of the members shall be held not later than sixty (60) days after the Board has obtained the estimates, to determine the opinion of the membership with reference to rebuilding or termination of the Condominium, subject to the following:
 - 1. If the insurance proceeds, reserves and other association funds available for the restoration and repairs that are the Association's responsibility are sufficient to cover the estimated cost thereof so that it is reasonably anticipated that the repairs and reconstruction can be accomplished without levying a special assessment that exceeds fifty percent (50%) of the total annual budget for the condominium in the year in which the casualty occurred, the Condominium shall be repaired and reconstructed unless the owners otherwise vote to terminate the Condominium.
 - 2. If upon the advice of legal counsel and engineers, it appears unlikely that the then applicable zoning or other regulatory laws will allow reconstruction of the same number and general types of Units, or if reconstruction shall constitute economic waste or impossibility as provided in Section 718.117(2), F.S., or if the insurance proceeds, reserves and other association funds available for restoration and repair are not sufficient to cover the estimated cost thereof, and it is reasonably anticipated that the repairs and reconstruction can be accomplished only by levying special assessments exceeding fifty percent (50%) of the total annual budget for the Condominium in the fiscal year in which the casualty occurred, a vote to terminate the Condominium shall be conducted pursuant to 718.117 F.S. If the Unit Owners vote against termination, the Board of Directors shall levy such assessments as are necessary, and shall proceed with the necessary repairs and restoration. The proceeds from the special assessments shall be added to the funds available for repair and reconstruction.
- (D) If any dispute shall arise as to whether "very substantial" damage has occurred, or as to the amount of special assessments required, a determination by at least two-thirds (2/3rds) of the Directors shall be conclusive, and shall be binding upon all persons.

16.4 Application of Insurance Proceeds. It shall be presumed that the first monies disbursed for repair and restoration are from insurance proceeds; if there is a balance left in the funds held by the Association after the payment of all costs of repair and

restoration, such balance shall be distributed to the Unit owners, except as otherwise provided in Section 15 above.

16.5 Equitable Relief. In the event of damage to the common elements which renders any Unit uninhabitable, and the damage is not repaired, reconstructed, or rebuilt within a reasonable period of time, the owner of the uninhabitable Unit may petition a court for equitable relief, which may include a termination of the Condominium and a partition. For the purposes of this provision, it shall be presumed that repair, reconstruction or rebuilding has occurred within a reasonable period of time if substantial work is commenced within one (1) year following the damage or destruction, and is completed within twelve (12) months thereafter. In the case of "very substantial" damage the condominium will be rebuilt. The Board shall commence and complete construction as soon as practicable under the circumstances.

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

