

MASTER DECLARATION OF COVENANTS AND
RESTRICTIONS FOR LAS VERDES

80 084073
1960 MAY -9 PM 4:11

KNOW ALL MEN BY THESE PRESENTS, that F & R Builders, Inc., (hereinafter referred to as the "Developer"), a Florida corporation, the owner of certain real property to be hereinafter known as "LAS VERDES", located in Palm Beach County, Florida, and more particularly described in Exhibit A attached hereto, hereby makes the following Master Declaration of Covenants and Restrictions covering the above described real property, specifying that this Declaration shall constitute a covenant running with the land described in Exhibit A above, and this Declaration shall be binding upon the undersigned and upon all persons deriving title through the undersigned. These protective covenants and restrictions, during their lifetime shall be for the benefit of, and shall be a limitation upon, all present and future owners of the subject real property, and of such other property of the Developer which shall be made subject to these Covenants and Restrictions at a later date.

- 16260
1. Definitions. The following terms, whenever used in this Declaration, or the Articles of Incorporation of Las Verdes Property Owners Association, Inc., or by the By-Laws thereof, or purchase agreements, or any other literature associated with Las Verdes, shall have the following meaning set forth herein:

- 1.1 Property Owners Association, or Association, shall mean and refer to the Las Verdes Property Owners Association, Inc., a Florida corporation not-for-profit, its successors or assigns.
- 1.2 Developer. Shall mean and refer to F & R Builders, Inc., a Florida corporation, and its successors or assigns.
- 1.3 Las Verdes. Shall mean and refer to that certain real property described in Exhibit "A" which is attached hereto and such other additions thereto as are subject to this Declaration or any supplemental Declaration.

WILL CALL

This instrument prepared by:
ROBERT M. SCHWARTZ, ESQUIRE
DeSantis, Cook, Meehan, Cohen,
Gaskill & Silverman, P.A.
860 U. S. Highway One
North Palm Beach, Florida 33408

B9288 P1352

1.4 Unit. Shall mean and refer to any residential living unit in Las Verdes, either presently existing or hereafter constructed, regardless of the form of ownership thereof.

1.5 Unit Owner. Shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any unit (whether townhouse or condominium) constructed in Las Verdes, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

1.6 Master Declaration shall mean and refer to this Declaration.

1.7 Recreation Areas shall mean and refer to the real property which is described on Exhibit A-1 attached hereto (which is a portion of the property described in Exhibit A), together with the improvements and personal property therein.

1.8 Community Facilities shall mean and refer to the real property, described on Exhibit A-2 hereto, (which is a portion of the property described in Exhibit A), which now or hereafter shall be utilized as streets and accessways, lakes and/or water management tracts, landscaping and/or buffer areas, bicycles/pedestrian paths, including street lighting thereon, which may contain a master TV antenna system and over and through which may be maintained a security system as well as any and all other real or personal property to which the Association may have title and/or maintenance obligations.

1.9 Condominium Association shall mean and refer to any Florida corporation not-for-profit which shall now or hereafter become the operating entity for any group of townhouses which may now or hereafter be constructed in Las Verdes.

1.10 Homeowners Association. Shall mean and refer to any Florida corporation not for profit which shall now or hereafter become the operating entity for any group of townhouses/patio villas which may now or hereafter be constructed in Las Verdes.

B3288 P1353

1.11 Undeveloped Parcel. Shall mean and refer to the real property, described on Exhibit A-3 hereto, which is presently an unimproved parcel of land situated in Las Verdes (and is a portion of the Property described in Exhibit A) which Developer may develop, but is not obligated to develop for residential use in the future.

Property Subject to this Declaration: Additions thereto, Deletions therefrom.

2.1 Legal Description. The real property which is and shall be, transferred, sold, conveyed and occupied subject to this Declaration is legally described in Exhibit A which is attached hereto.

2.2 Restrictions and Amendments. The Developer shall be entitled, at any time, and from time to time, to plat and/or submit to the condominium form of ownership, and/or file additional declarations (which shall not be considered Master Declarations) for all or any part of Las Verdes and to file restrictions and/or amendments thereto and supplements to this Declaration without consent or joinder of the Association or of any Condominium Association and/or Homeowners Association.

3. Common Property. All of the land described in Exhibits A-1 and A-2, (which includes the recreation areas and community facilities) shall be known as Common Property, which shall include all improvements constructed thereon. This Common Property is presently owned by Developer but shall ultimately be owned by the Association. The Common Property shall be conveyed to the Association by the Developer by a separate instrument. The Association shall administer such property in keeping with this Declaration as well as the Articles of Incorporation and the By-Laws of the Association, together with such rules and regulations as may be promulgated by the Association.

3.1 All of the Common Property shall be the perpetual maintenance obligation of the Property Owners Association.

4. Property Rights.

4.1 Unit Owners/Members Easements. Each unit owner shall be a member of the Association as is more particularly set forth hereinbelow. Each member of the Association and each tenant, agent and invitee of such member, shall have a permanent and perpetual easement for the use of the Common Property in common with all other members of the Association, their tenants, agents and invitees, subject to the following:

4.1.1 The right of the Association to protect the Common Property;

4.1.2 All of the provisions of this Declaration, the Articles of Incorporation and the By-Laws of the Association;

4.1.3 Rules and regulations governing the use and enjoyment of the Common Property which may now or hereafter be adopted by the Association; any and all restrictions contained on any and all plats of all or any part of the Common Property or which may be filed separately with respect to all or any part or parts of Las Verdes;

4.1.4 The rights of the Developer or the Association to designate certain parking spaces in the Common Property for exclusive use by unit owners in Las Verdes for purposes of the vehicle parking;

4.1.5 The right and duty of the Association to levy assessments against each unit owner for the purpose of maintaining the Common Property in compliance with the provisions of this Declaration;

4.1.6 The right of the Association to suspend the voting rights and right to use the Recreation Areas by any unit owner for any period during which any assessment against said unit owners unit remains unpaid; and for a period not to exceed thirty (30) days for

B3288 P1355

any infraction of its lawfully adopted and published
rules and regulations;

4.1.7 The right of the Association to limit the number of
guests of unit owners;

4.1.8 The Declaration of Covenants and Restrictions on any
part of the Common Property.

4.2 Title to the Common Property is currently held by the
Developer. At such time as Developer conveys title to a
total of one thousand one hundred and nine units (1,109)
(out of a total of twelve hundred and thirty-two units
(1,232) for Las Verdes) and subject to the provisions
hereof, or at such earlier time as Developer elects,
Developer shall convey title to the Common Property to the
Association, which shall be obligated to accept such
conveyance.

4.3 Easement Appurtenant. The easement provided in Paragraph
4.1 (and the sub-paragraphs thereunder) shall be appurtenant
to and shall pass with the title to each unit.

4.4 Utility Easements. The Common Property shall be subject to
public utility easements, all of Las Verdes.

4.5 Developer's Easements. The Developer together with its'
successors and/or assigns shall have an easement of access
with respect to the Common Property, so long as it retains
title to any units within Las Verdes.

5. Membership and Voting Rights in the Association.

5.1 Membership. Every person or entity who is a record fee
simple owner of a unit, including the Developer at all
times as long as it owns any portion of the property
subject to this Declaration, shall be a member of the
Association, provided that any such person or entity who
holds such interest only as security for the performance of
an obligation shall not be a member. Membership shall be
appurtenant to, and may not be separated from, ownership of
any unit.

5.2 Classes and Voting. The Association shall have such classes of membership as are set forth in the Articles of Incorporation of the Association, which Articles shall also specify voting rights.

6. Covenants for Maintenance Assessments.

6.1 Creation of the Lien and Personal Obligation of Assessments.

The Developer, for each unit owned by it within Las Verdes (including units the Developer may construct in the future) hereby covenants, and each owner of any unit (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance) including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association any annual assessments or charges, any exterior maintenance assessment to the extent applicable, in accordance with the provisions hereof, and any special assessments to be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon from the due date at the rate of ten (10%) percent per annum and costs of collection thereof (including reasonable attorney's fees), shall be a charge on the land and shall be a continuing lien upon the unit(s) against which each such assessment is made, and shall also be the continuing personal obligation of the owner. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Recreation Areas and/or of the Common Facilities or by abandonment. The Bottlebrush Patio Villa Area shall be responsible for 107/1232nds of the total cost of maintaining the recreation parcels, common drives and common property. The units located within the Bottlebrush Patio Villa Area will be assessed in accordance with the provisions of the Declaration of Covenants and Restrictions of Las Verdes Bottlebrush Area. Subsequent patio villa phases (proposed Copperleaf, Loral Oak, Philadendron, Viburnum, Carrotwood

B3288 P1357

and Forsythia Patio Villa Areas) shall be responsible for their respective interests based upon a fraction, the numerator which shall be the number of patio villas in said phase and the denominator which shall be 1232 units. Similarly, the subsequent condominium phases (proposed Cypress Condominium, Dogwood Condominium, Evergreen Condominium, Coconut Palm Condominium, Oleander Condominium, Palmetto Condominium, Olivewood Condominium, Sea Grape Condominium, Aspen Condominium and Banyan Condominium), shall be responsible for their respective interests based upon a fraction, the numerator of which shall be the number of units in said condominium phase (i.e. 72) and the denominator of which shall be 1232 units; thus, each condominium shall be responsible for 72/1232nds. Thus, if all ten (10) phases of condominiums of Las Verdes and all seven (7) phases of patio villas of Las Verdes are developed by Developer, then each condominium shall be responsible for 72/1232nds of the total costs of maintaining the recreation parcels, common driveway and common property, whereas Bottlebrush shall be responsible for 107/1232nds of said costs, Copperleaf shall be responsible for 48/1232nds of said costs, Laural Oak shall be responsible for 93/1232nds of said costs, Philadendron shall be responsible for 47/1232nds of said costs, Viburnum shall be responsible for 87/1232nds of said costs, Carrotwood shall be responsible for 29/1232nds of said costs and Forsythia shall be responsible for 101/1232nds of said costs. Each unit in each phase shall be responsible for its percentage of its respective phase's cost as more particularly described in either the Declaration of Covenants and Restrictions for the Patio Villa Areas, as the case may be, for that phase with said percent interest being set forth in the respective Declaration. Until such time as Developer shall construct units on the undeveloped parcel or any part thereof, and waives its rights to remove them from the

B3288 P1358

effect thereof, only the number of existing units on the property (to-wit: 107) will be assessed and used as a basis therefor for the cost of maintaining the recreation parcel, common driveway and common property. At such time as units are actually constructed on the undeveloped parcel, the actual number thereof shall be used for such purposes. There shall not be more than 1232 units nor less than 107 units subject to the rights and obligations hereunder.

6.2 Purpose of Assessments. The annual and special assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in Las Verdes and in particular for the improvement, maintenance and lighting of the Recreational Areas and Common Facilities, the lawn sprinkler systems throughout the Property subject hereto, as well as the street lights, master TV antenna system, the security system and of any easement in favor of the Association, including, but not limited to, the cost of taxes on the Recreation Parcel, insurance, labor, equipment materials, management, maintenance and supervision thereof, as well as for such other purposes as are permissible activities of, and undertaken by, the Association. The exterior maintenance assessments provided for herein shall be separate and apart from the annual and special assessments, and shall be used for such purposes authorized in Article 7 hereof.

6.3 Developers Assessment Guaranty. Except as hereinafter provided, the annual assessment, excluding any special assessment for capital improvements or major repair, is hereby guaranteed to all unit owners by the Developer not to exceed \$19.37 for a Model A condominium unit per month, \$23.20 for a Model B and C condominium unit per month, \$24.19 for a Model D and E condominium unit per month and \$22.81 for all Patio Villa units for the first calendar year following the first conveyance of title to a unit in

the Property and that thereafter it will not exceed 115% of the amount assessed to such unit during the prior year and each calendar year thereafter.

6.3.1 This guaranty shall be in force only until the earlier:

- (a) The date upon which a majority of the Board of the Directors of the Association are elected by unit owners other than the Developer; or
- (b) Such earlier date as Developer elects to terminate this guaranty and pay its proportional share of assessments for expenses of the Association based upon the number of units owned by Developer.

(c) During the period of time this guaranty is in force and effect the Developer, as owner of such units, as are owned by it, shall be relieved from the obligation of paying its prorata share of assessments for expenses of the Association, but instead shall be obligated to pay to the Association all sums in excess of sums due from all unit owners other than the Developer which are necessary to pay the actual expenses of the Association.

- (d) The Board of Directors of the Association (the "Board") shall fix the assessments, subject to the aforesaid which shall be in amounts determined in accordance with the projected financial needs of the Association, as to which the decision of the Board of Directors of the Association shall be dispositive.

6.4 Uniform Rate of Assessment. All regular and special assessments shall be at a uniform rate for each condominium and patio villa in Las Verdes. Based upon a fraction, the numerator of which is the total number of units within either the condominium (i.e. 72) or the patio villa area

(Bottlebrush-107, Copperleaf-48, Laural Oak-93, Philadendron-47, Viburnum-87, Carrotwood-29, Forsythia-101) and the denominator of which is the total number of units subject to assessments, the maximum of which will be 1232.

6.5 Special Assessments for Capital Improvements and Major Repairs. In addition to any annual assessments, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement as approved by the Board of Directors of the Association, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

6.6 Date of Commencement of Annual Assessments: Due Date. The assessments for which provision is herein made shall commence on the date or dates (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The due date of any assessment shall be fixed in the resolution authorizing such assessments, and any such assessment shall be payable in advance in monthly, quarterly, semi-annual or annual installments, as determined by the Board.

6.7 Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement, and the amount of, the assessment against each unit, and other portions of the Property, for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the units and assessments applicable thereto which shall be kept in the

B3288 P1361

office of the Association and shall be open to inspection by any owner. Written notice of the assessment shall be sent to every owner subject thereto not later than seven (7) days after fixing the date of commencement thereof.

6.8 The Association shall, upon demand at any time, furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

6.9 Effect of Non-Payment of Assessment: the Lien, the Personal Obligation, Remedies of Association.

6.9.1 The lien of the Association shall be effective from and after recording, in the Public Records of Palm Beach County, Florida, a claim of lien stating the description of the unit encumbered thereby, the name of the owner, the amount and the date when due. Such claim of lien of the owner, the amount and the date when due. Such claim of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, including all costs incurred and reasonable attorney's fees, the same shall be satisfied of record.

6.9.2 If the assessment is not paid within thirty (30) days after the delinquency date, which shall be set by the Board of Directors of the Association, the assessment shall bear interest from the date due at the rate of ten (10%) percent per annum, and the Association may at any time thereafter bring an action to foreclosure of a mortgage on real property, and/or a suit on the personal obligation

B3288 P1362

against the owner(s), and there shall be added to the amount of such assessment all costs so far incurred including any appropriate late charges, and the cost of preparing and filing the complaint in such action including reasonable attorney's fee, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fees to be fixed by the Court, together with the costs of the action.

6.10 Subordination to Lien of Mortgages. The lien of the assessments for which provision is herein made, as well as in any other Article of this Declaration, shall be subordinate to the lien of any first mortgage to a federal or state chartered bank, mortgage company, life insurance company, federal or state savings and loan association or real estate investment trust which is perfected by recording prior to a sale or transfer of such unit by deed in lieu of foreclosure of such unit or pursuant to a decree of foreclosure, and in any other proceeding in lieu of foreclosure of such mortgage, provided however, any such unit shall be liable, following such sale, for a prorata share of any unpaid assessments against such unit accruing prior to such sale, in common with all other Property. No sale or other transfer shall relieve any unit from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The written opinion of either the Developer or the Association that the lien is subordinate to a mortgage shall be dispositive of any question of subordination.

6.11 Exempt Property.—The Board of Directors shall have the right to exempt any of the Property subject to this Declaration from the assessments, charge and lien created herein provided that such part of the Property exempted is

83288 P1363

used (and as long as it is used) for any of the following purposes:

6.11.1 Any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;

6.11.2 All of the Common Property as defined in Section 3 hereof and not designated for vehicular parking appurtenant to a particular unit.

6.11.3 Notwithstanding any provisions herein, no land or improvements devoted to residential dwelling or related use shall be exempt from said assessments, charges or lien.

6.12 Developer's Rights. Until such time as the Association shall actively undertake to perform the responsibilities herein assigned to it or until it holds title to the Common Property, Developer shall perform necessary maintenance functions therefor. Accordingly, so long as Developer, in lieu of the Association is performing such functions, all powers of enforcement, rights and lien rights hereunder shall be held by Developer and all assessments shall be levied and collected by Developer.

7. Exterior Maintenance.

7.1 Exterior Maintenance. In addition to maintenance upon the Common Property Area, the Association may provide exterior maintenance service upon any townhouse, condominium, apartment or other residential unit needing same in the Association's opinion, including paint, repair, roof repair and replacement, gutters, downspouts, exterior building surfaces, yard clean up and, in addition, may provide landscaping, sprinklers, trees, shrubs, grass, pools, walks, private drives and streets and other exterior improvements.

7.2 Assessment of Cost. The cost of such maintenance shall be assessed against the applicable Condominium Association, Homeowner's Association, and/or the unit or units upon

which such maintenance is performed or, in the opinion of the Board of Directors of the Association, benefitting from same, or against all the units in any townhouse or condominium, rental apartment or other residential area if determined to be appropriate in the opinion of the Board of Directors of the Association. In all such cases, such determination by the Board shall be conclusive. The assessment shall be proportioned among the units involved in the manner determined to be appropriate by the Board of Directors of the Association. If no allocation is made, the assessment shall be uniformly assessed against all the units in the affected area. The exterior maintenance assessment shall be a lien on the unit and the personal obligation of the owner and shall become due and payable in all respects, together with interest and fees for costs of collection, as provided for the other assessments of the Association, and shall be subordinate to mortgage liens to the extent provided by Section 6 above.

7.3 Access at Reasonable Hours. For the purpose of performing the maintenance authorized by this Section, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the owner, to enter upon any unit or the exterior of any unit at reasonable hours on any day except Saturday or Sunday.

7.4 Initial Responsibility for Exterior Maintenance. Initial responsibility for exterior maintenance shall repose in the owner of the unit (or the applicable Condominium or Homeowners Association if the unit is subject to a Declaration of Condominium). The provisions afforded hereby for the Association to undertake such exterior maintenance are intended to enable the Association to maintain a high standard of attractive appearance to all of Las Verdes and to prevent degradation of property values and quality of living conditions arising from any portion of Las Verdes not being maintained to acceptable standards. The provisions

B3288 P1365

afforded hereby are also intended to enable unit owners; Condominium Associations and Homeowners Association to contract with the Association for exterior maintenance in the event it is determined hereafter that to do so would be desired.

8. Architectural Control.

No building, fence, wall, swimming pool, aerial, antenna, sewer, drain, disposal system or other structure shall be commenced, erected, placed or maintained upon any land in Las Verdes, nor shall any improvement, addition to or change or alteration therein be made until the plans, specifications and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by the Architectural Control Committee thereof. The Architectural Control Committee shall also be entitled to approve or disapprove exterior paint selection or other building surface color and/or composition. This Section shall not bind any such structure built by or on the behalf of Developer and/or which is sold by Developer.

9. Restrictions.

9.1 Residential Uses. The Property subject to these Covenants and Restrictions may be used for recreation, vehicular access and parking and related residential purposes, and for no other purpose. No business or commercial building may be erected and no business may be conducted on any part thereof. This Section, however, shall not restrict construction or sale of units by Developer in the Las Verdes project.

9.2 Rules and Regulations. The Association may, from time to time and at any time, promulgate such rules and regulations for the use of the Property as it may deem beneficial to the members of the Association.

9.3 Nuisances. Nothing shall be done or maintained on any unit which may be or become an annoyance or nuisance to the

B3288 P1366

neighborhood. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors, which shall render a decision in writing, which decision shall be dispositive of such dispute or question.

10. General Provisions.

10.1 Duration and Remedies for Violation. The Covenants and Restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Developer, the Association or other owner of any Property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for the lesser of:

10.1.1 The period of time the improvements now located on the Property continue to exist thereon in substantially the same configuration now existing and are used for residential and related purposes, without a complete casualty; or

10.1.2 A term of fifty (50) years from the date this Declaration is recorded, after which time said Covenants and Restrictions shall automatically be extended for successive periods of ten (10) years unless an instrument signed by the then owners of two-thirds (2/3) of the units has been recorded, agreeing to change or terminate said Covenants and Restrictions in whole or in part.

10.2 Violation or breach of any condition, covenant or restriction herein contained shall give the Developer and/or Association and/or owner(s) in addition to all other remedies, the right to proceed at law or in equity to compel a compliance with the terms of said conditions, covenants or restrictions, and to prevent the violation or breach of any of them, and the expense of such litigation shall be borne by the then owner or owners of the subject property who are defendants in such an action, provided such proceeding results in a finding that such owner was in violation of said Covenants or Restrictions. Expenses of litigation shall include reasonable attorney's fees incurred by Developer, the Association, and/or unit owners in seeking such enforcement.

RECORDER'S MEMO: Legibility
of Writing, Typing or Printing
unsatisfactory in this document
when received.

B3288 P1367

incurred by Developer, the Association, and/or unit owners in seeking such enforcement.

10.3 Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or when mailed, postage paid, to the last known address of the person who appears as member or owner on either the records of the Association or the Public Records of Palm Beach County, Florida at the time of such mailing.

10.4 Severability. Invalidation of any one of these Covenants and Restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

10.5 Amendment. This Declaration may be amended at any time and from time to time upon the execution and recordation of an instrument executed by owners holding not less than two-thirds (2/3) of the voting interests of the membership, provided that so long as Developer is the owner of any unit, or any Property affected by this Declaration, or amendment hereto, or appoints a Director of the Association, no amendment will be effective without Developer's express written joinder and consent.

10.6 Usage. Whenever used the singular shall include the plural and the singular, and the use of any gender shall include all genders.

10.7 Effective Date. This Declaration shall become effective upon its recordation in the Public Records of Palm Beach County, Florida.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed as required by law on this, the day and year first above written.

(CORPORATE SEAL)

F & R BUILDERS, INC.

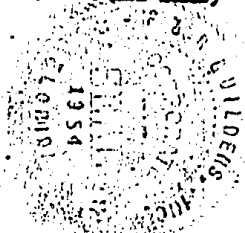
By:

Vice President.

Attest:

Assistant Secretary

B3288 P1368



STATE OF FLORIDA

COUNTY OF DADE

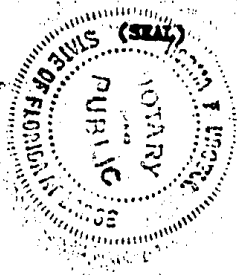
SS.

The foregoing Master Declaration of Covenants and Restrictions for Las
Verdes was acknowledged before me this 24 day of April, 1980, by
Allen J. Pekor and Kathleen E. Sierra, Vice President
and Secretary respectively, of F & R BUILDERS, INC., a Florida corporation,
on behalf of the corporation.

Korina D. Magall
Notary Public, State of Florida
at Large

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JUNE 20 1981
BONDED THREE THOUSAND DOLLARS



B3288 P1369

EXHIBIT A

OVERALL LEGAL DESCRIPTION FOR
LAS VERDES CONDOMINIUM AND PATIO VILLA PROJECT

The Southeast one-quarter of Section 23, Township 46 South, Range 42 East, Palm Beach County, Florida less the North 40 and West 70 feet for canals L-35 and E-3 respectively; less the East 65 feet for right-of-way for Military Trail; less the South 60 feet for right-of-way for Germantown Road; and less Plat No. One Kings Point P.U.D. as recorded in plat book 32 page 68 of the public records of Palm Beach County, Florida.

B3288 P1370

EXHIBIT A-1

LEGAL DESCRIPTION FOR RECREATION AREAS AND
WATERWAYS LOCATED IN THE LAS VERDES PROJECT

Las Verdes Recreation Area R-1 (located in the Bottlebrush Patio Villa Area)

Tract C-8 of Kings Point Plat No. Two, according to the Plat thereof, as recorded in Plat Book 38, at Pages 116-117, of the Public Records of Palm Beach County, Florida.

Las Verdes Recreation Area R-2 (located in the Laurel Oak Patio Villa Area)

Tract B-6 of Kings Point Plat No. Four, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Las Verdes Recreation Area R-3 (located in the Viburnum Patio Villa Area)

Tract B-4 of Kings Point Plat No. Eight, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Waterways

Tract A-8 and B-8 of Kings Point Plat No. Two, according to the Plat thereof, as recorded in Plat Book 38, at Pages 116-117, of the Public Records of Palm Beach County, Florida.

Tract A-7 of Kings Point Plat No. Three, according to the Plat thereof, as recorded in Plat Book 39, at Pages 14 - 15, of the Public Records of Palm Beach County, Florida.

Tract A-6 of Kings Point Plat No. Four, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-5 of Kings Point Plat No. Five, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-4 of Kings Point Plat No. Eight, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-3B of Kings Point Plat No. Ten, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-3A of Kings Point Plat No. Eleven, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

B3288 P1371

Tract A-2 of Kings Point Plat No. Thirteen, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Main Lake

A circular tract of land with a radius of 331.432 feet the center of which is more particularly described as follows:

Commencing at the Southeast corner of Section 23, Township 46 South, Range 42 East, Palm Beach County, Florida, run N 0°43'14" E, along the East line of Section 23, 1354.20 feet to a point of intersection with Las Verdes Drive (formerly Kings Retreat Drive); thence run N 88°16'49" W along the centerline and the extension of the centerline of Las Verdes Drive 1289.32 feet to a point; said point being the center of the above described circle.

B3288 P1372

EXHIBIT A-2

LEGAL DESCRIPTION FOR LAS VERDES COMMUNITY FACILITIES

1. Legal Description for Common Roads in Las Verdes (Las Verdes Drive, Las Verdes Circle and Las Verdes Way).

Las Verdes Drive

Commencing at the Southeast corner of Section 23, Township 46 South, Range 42 East, Palm Beach County, Florida, run N 0°43'14" E along the East line of said Section 23 a distance of 1420.78 feet to a point; thence run N 89°16'46" W a distance of 65.0 feet to the Point of Beginning.

From the Point of Beginning run S 46°13'12" W a distance of 35.66 feet to a point; thence run N 88°16'49" W a distance of 324.16 feet to a point; thence run N 45°24'25" W a distance of 34.02 feet to a point on a curve with a radial bearing S 87°27'59" W; thence run Southerly along the arc of a curve concave to the West having a radius of 851.432 feet and a central angle of 8°30'23" a distance of 126.41 feet to a point; thence run N 48°50'46" E a distance of 34.02 feet to a point; thence run S 88°16'49" E a distance of 326.43 feet to a point; thence run S 43°46'48" E a distance of 35.05 feet to a point; thence run N 0°43'14" E a distance of 130.02 feet to the Point of Beginning.

Las Verdes Circle

A circular 80 foot wide right-of-way with 40 feet lying on each side of the centerline and said centerline being a complete circle with a radius of 811.432 feet and the center of said circle more particularly described as follows:

Commencing at the Southeast corner of Section 23, Township 46 South, Range 42 East, Palm Beach County, Florida, run N 0°43'14" E along the East line of said Section 23 a distance of 1354.20 feet to a point; thence run N 88°16'49" W a distance of 1289.322 feet to the center (and radius point) of the above-described centerline circle.

Las Verdes Way

Commencing at the Southeast corner of Section 23, Township 46 South, Range 42 East, Palm Beach County, Florida, run N 88°10'14" W along the South line of said Section 23 a distance of 1265.55 feet to a point; thence run N 1°49'46" E a distance of 120.0 feet to the Point of Beginning.

From the Point of Beginning run N 43°10'14" W a distance of 35.36 feet to a point; thence run N 1°49'46" E a distance of 331.47 feet to a point; thence run N 45°11'43" E a distance of 34.33 feet to a point on a curve with a radial bearing N 1°26'21" W; thence run Westerly along the arc of a curve concave to the North having a radius of 851.432 feet and a central angle of 8°30'28" a distance of 126.43 feet to a point; thence run S 40°33'03" E a distance of 33.70 feet to a point; thence run S 1°49'46" W a distance of 331.71 feet to a point; thence run S 46°49'46" W a distance of 35.36 feet to a point; thence run S 88°10'14" E a distance of 130.0 feet to the Point of Beginning.

B3288 P1373

2. Waterways.

Tract A-8 and B-8 of Kings Point Plat No. Two, according to the Plat thereof, as recorded in Plat Book 38, at Pages 116-117, of the Public Records of Palm Beach County, Florida.

Tract A-7 of Kings Point Plat No. Three, according to the Plat thereof, as recorded in Plat Book 39, at Pages 14 - 15, of the Public Records of Palm Beach County, Florida.

Tract A-6 of Kings Point Plat No. Four, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-5 of Kings Point Plat No. Five, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-4 of Kings Point Plat No. Eight, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-3B of Kings Point Plat No. Ten, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-3A of Kings Point Plat No. Eleven, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

Tract A-2 of Kings Point Plat No. Thirteen, according to the Plat thereof, to be recorded in Plat Book , at Pages , of the Public Records of Palm Beach County, Florida.

3. Main Lake.

A circular tract of land with a radius of 331.432 feet the center of which is more particularly described as follows:

Commencing at the Southeast corner of Section 23, Township 46 South, Range 42 East, Palm Beach County, Florida, run N 0°43'14" E, along the East line of Section 23, 1354.20 feet to a point of intersection with Las Verdes Drive (formerly Kings Retreat Drive); thence run N 88°16'49" W along the centerline and the extension of the centerline of Las Verdes Drive 1289.32 feet to a point; said point being the center of the above described circle.

B3288 P1374

4. A 25' landscaping and buffer area which will contain landscaping and an 8' asphalt bicycle and pedestrian path which will be located on the following Tracts:

Tracts B-8, C-8 and L-8 of Kings Point Plat No. Two, according to the Plat thereof, to be recorded in Plat Book , at Page , of the Public Records of Palm Beach County, Florida.

Tracts A-7 and F-7 of Kings Point Plat No. Three, according to the Plat thereof, as recorded in Plat Book 39, at Page 14 - 15, of the Public Records of Palm Beach County, Florida.

Tracts A-6, B-6 and I-6 of Kings Point Plat No. Four, according to the Plat thereof, as recorded in Plat Book 38, at Page 116, of the Public Records of Palm Beach County, Florida.

Tracts A-5 and F-5 of Kings Point Plat No. Five, according to the Plat thereof, to be recorded in Plat Book , at Page , of the Public Records of Palm Beach County, Florida.

Tracts A-4, B-4 and L-4 of Kings Point Plat No. Eight, according to the Plat thereof, to be recorded in Plat Book , at Page , of the Public Records of Palm Beach County, Florida.

Tract E-3B of Kings Point Plat No. Ten, according to the Plat thereof, to be recorded in Plat Book , at Page , of the Public Records of Palm Beach County, Florida.

Tracts A-3A and E-3A of Kings Point Plat No. Eleven, according to the Plat thereof, to be recorded in Plat Book , at Page , of the Public Records of Palm Beach County, Florida.

Tract H-2 of Kings Point Plat No. Thirteen, according to the Plat thereof, to be recorded in Plat Book , at Page , of the Public Records of Palm Beach County, Florida.

B3288 P1375

State of Florida



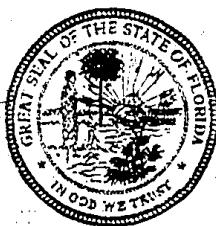
Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of LAS VERDES PROPERTY OWNERS ASSOCIATION, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on May 6, 1980, as shown by the records of this office.

The charter number for this corporation is 752367.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
7th day of May, 1980.

George Firestone
Secretary of State



CER 101 Rev. 5-79

B3288 P1376

ARTICLES OF INCORPORATION
OF
LAS VERDES PROPERTY OWNERS ASSOCIATION, INC.

(A Corporation not for Profit)

In compliance with the requirements of Chapter 617, Florida Statutes, the undersigned persons do hereby make, subscribe and acknowledge that they have voluntarily associated themselves together for the purpose of forming a corporation not for profit, the Articles of Incorporation of which read as follows:

ARTICLE I

LAS VERDES PROPERTY OWNERS ASSOCIATION, INC.

The name of the corporation is LAS VERDES PROPERTY OWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association shall be located at _____
5121 Las Verdes Circle, Delray Beach, FL 33445

ARTICLE III

REGISTERED AGENT AND REGISTERED OFFICE

ALLAN L. PEKOR

is hereby appointed the initial registered agent of this Association, and his address is designated as the initial registered office of the Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, will make no distribution of income to its members, Directors, or Officers, and the specific purposes for which it is formed are to provide for the ownership, maintenance, and preservation of the

FILED
MAY 6 7 51 AM '80
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

recreation areas and community facilities, otherwise known as the Common Property, being developed in conjunction with LAS VERDES, Palm Beach County, Florida, and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

- 4.1 Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Master Declaration of Covenants and Restrictions, hereinafter called the "Master Declaration", applicable to the property, to be recorded in the Office of the Clerk of the Circuit Court of Palm Beach County, Florida, and as the same may be amended from time to time as herein provided, said Master Declaration being incorporated herein as if set forth at length;
- 4.2 Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Master Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
- 4.3 Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;
- 4.4 Borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- 4.5 Dedicate, sell, or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

B3288 P1378

No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

4.6 Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of each of the members; and

4.7 To purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of interests in, real or personal property, except to the extent restricted hereby; to contract for the management and maintenance of the Las Verdes property and to authorize a management agent to assist the association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the common areas with funds as shall be made available by the association for such purposes. The association and its officers shall, however, retain at all times the powers and duties granted by the Master Declaration of Covenants and Restrictions for Las Verdes, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the association;

4.8 Have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Florida by law may now or hereafter have to exercise.

ARTICLE V

MEMBERSHIP

A. Every person or entity who is a record owner of a fee or undivided fee interest in any unit whether townhouse or condominium which is subject by the Master Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to assessment by the Association.

B3288 P1379

B. The members shall consist of the Property Owners in Las Verdes and all such Property Owners shall be members of the Association. There shall be two (2) classes of members, as follows:

1. Class A Members. Class A members shall be all Property Owners other than the Class B member. Owners of property shall automatically become Class A members upon purchase of such Property.
2. Class B members. The Class B member shall be F & R Builders, Inc., a Florida corporation, or its designee, successor or assignee as Developer of Las Verdes who shall remain a member so long as it owns property subject to the Master Declaration of Covenants and Restrictions for Las Verdes.

C. "Developer", "Owner", "Unit" and any other defined terms used herein and elsewhere in the Articles, are used with the definitions given those terms in the aforesaid Master Declaration of Covenants and Restrictions for Las Verdes.

ARTICLE VI

VOTING RIGHTS

A. Subject to the restrictions and limitations hereinafter set forth, each member shall be entitled to one (1) vote for each Unit in which he holds the interest required for membership. In the case of the Developer it shall also have one vote for each of the possible 1325 units which may be constructed on the Undeveloped Parcel. Until the Class B member no longer is a member of the Association, the Class A members shall have no right to vote at membership meetings, except for the election of resident directors to the Board, as stated in Subparagraph B below, and until such time as Developer no longer controls the Board. In no event shall more than one vote be cast with respect to any Unit. Except where otherwise required under the provisions of these Articles, the Master Declaration of Covenants and Restrictions for Las Verdes or by law, the affirmative vote of the Owners of a majority of Units represented at any meeting of the members duly called and at which a quorum is present, shall be binding upon the members.

B. When unit owners other than F & R Builders, Inc., a Florida corporation (the "Developer") own fifteen percent (15%) but less than fifty percent (50%) of the Units that ultimately will be operated by the Association, the Unit owners other than the Developer shall be entitled to elect, in a manner to be provided in the By-Laws, not less than nor more than one-third (1/3) of the members of the Board of Directors. Unit owners other than the Developer shall be entitled to elect, in a manner to be provided in the By-Laws, not less than nor more than

B3288 P1380

a majority of the Board of Directors three (3) years after sales by the Developer have been closed of fifty percent (50%), but less than ninety percent (90%), of the units that will be operated ultimately by the Association, or three (3) months after sales have been closed by the Developer of ninety percent (90%) of the units that will ultimately be operated by the Association, or when all of the units that will ultimately be operated by the Association have been completed, and some have been sold and none of the others are being offered by the Developer for sale in the ordinary course of business, whichever shall first occur. The Developer shall have the right to elect, in the manner to be provided in the By-Laws,

not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least two percent (2%) of the Units in Las Verdes. Notwithstanding the foregoing, the Developer shall be entitled at any time to waive in writing its rights hereunder, and thereafter to vote in elections for members of the Board of Directors in the same manner as any other member of the Association. After unit owners other than the Developer elect a majority of the members of the Board of Directors, the Developer shall, within a reasonable time and in a manner to be provided in the By-Laws, relinquish control of the Association and shall deliver to the Association all property of the Unit owners and of the Association held or controlled by the Developer. The Developer shall be under no obligation to manage or appoint its representatives to the Board of Directors, and may, at any time, relinquish any rights it has to do so and have its representatives on the Board resign. During the Period Developer appoints the entire Board of Directors, Developer may appoint advisory Directors from the Class A membership who shall participate in the affairs of the Board of Directors, but shall have no vote.

C. The Association shall obtain funds with which to operate by assessment of its members in accordance with the provisions of the Master Declaration of Covenants and Restrictions for Las Verdes, as supplemented by the provisions of the Articles and By-Laws of the Association relating thereto.

ARTICLE VII

BOARD OF DIRECTORS

7.1 The names and addresses of the members of the first Board of

B3288 P1381

Directors who shall hold office until the annual meeting of the members to be held in the year 1981 and until their successors are elected or appointed and have qualified, are as follows:

Charles M. Jacobson

5121 Las Verdes Circle
Delray Beach, Florida 33445

Martin Rieffs

5121 Las Verdes Circle
Delray Beach, Florida 33445

Jay M. Berlmutter

5121 Las Verdes Circle
Delray Beach, Florida 33445

7.2 The affairs of the Association shall be managed by a Board of Directors consisting of not more than twenty (20) Directors. So long as Developer shall not have the right to appoint the Board of Directors, Directors need not be members of the Association and need not be residents of the State of Florida; thereafter, all Directors shall be members of the Association and residents of the State of Florida. There shall be three (3) Directors appointed by the Class B member so long as the Class B member has the right to appoint the Board of Directors. After the Class B member's right to appoint the Board of Directors terminates, there shall be elected by the Class A members a Board of Directors consisting of a number determined based upon the number of units in Las Verdes which are subject to the provisions of the Master Declaration of Covenants and Restrictions. The Owners of Units in each separate phase (each phase being either a separately submitted condominium regime or non-condominium patio villa phase of Las Verdes) of the Property subject to the Master Declaration of Covenants and Restrictions shall elect at least one member of the Board of Directors. Any such phase with more than ninety (90) units shall elect two such directors. Any such phase with more than one hundred eight (180) units shall elect three (3) such directors. For any such phase with more than two hundred seventy (270) units an additional director shall be elected by its members for each group of ninety (90) units in excess of two hundred seventy (270). Each director elected by Class A members shall serve for a term from the date of the meeting where he is elected until

the next annual meeting. In no event can a Board member appointed by the Class B Member, be removed except by action of the Class B member. Any Director appointed by the Class B member shall serve at the pleasure of the Class B member, and may be removed from office, and a successor Director may be appointed, at any time by the Class B member.

ARTICLE VIII

A. Upon dissolution of the Association, all of its assets remaining after provision for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

1. Real property contributed to the Association without the receipt of other than nominal consideration by the Class B member (or its predecessor in interest), but excluding therefrom the Recreational Parcel which it is intended shall be distributed in the manner provided in 2 below, and also excluding therefrom the surface water management system (including the lakes), which it is intended shall be distributed in the manner in 3 below, shall be returned to the Class B member (whether or not a Class B member at the time of such dissolution), unless it refuses to accept the conveyance (in whole or in part).
2. Remaining assets excluding the surface water management system (including the lakes) shall be distributed among the members, subject to the limitations set forth below as tenants in common, each members' share of the assets to be determined in accordance with its voting rights.
3. The surface water management system, including the lakes, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, said surface water management system, including the lakes, shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Association.

B. The Association may be dissolved upon a resolution to that effect being recommended by three-fourths (3/4) of the members of the Board of Directors, and, if such decree be necessary at the time of dissolution, after receipt of an appropriate decree as set forth in Florida Statutes Section 617.05 or statute of similar import, and approved by two-thirds (2/3) of the voting rights of the Association's members.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

10.1 Proposal. An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by the members of the Association owning a majority of the Units in the Condominiums, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association not later than sixty (60) days from the receipt by him of the proposed amendment or amendments.

10.2 Notice. It shall be the duty of the Secretary to give each member written notice of such meeting, stating the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than fourteen (14) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member.

10.3 Resolution. At the meeting at which the amendment is to be proposed and considered, a resolution for the adoption of the proposed amendment may be made by any member of the Board of Directors of the Association, or by any member of the Association, present in person or by proxy.

10.4 Approval. Except as elsewhere provided, the approval of a resolution for the adoption of a proposed amendment to the Declaration shall require the affirmative vote of a majority of the members of the Board of Directors of the Association, and the affirmative vote of not less than seventy-five (75%) percent of the total voting membership of the Association. Members of the Board of Directors and members of the Association not present in person or by proxy at the meeting at which the amendment is to be considered may express their approval (or disapproval) of the amendment in writing, provided that such approval is delivered to the Secretary of the Association prior to the commencement of the meeting.

10.5 Limitation. Provided, however, that no amendment shall make any changes in the qualifications for membership nor in the voting rights or property rights of members, nor any changes in Sections 4.3, 4.4 and 4.5 of Article IV, entitled "Powers", without approval in writing by all members and the joinder of all record owners of mortgages upon units. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the Amendment.

10.6 Recording. Such amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy

B3288 P1385

of each such amendment of these Articles of Incorporation shall be recorded in the Public Records of Palm Beach County, Florida, within thirty (30) days from the date on which the same is filed and returned from the office of the Secretary of State.

ARTICLE XI

OFFICERS

The affairs of the Association will be administered by the Officers designated in the By-Laws of the Association. Said Officers will be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and will serve at the pleasure of the Board of Directors. The names and addresses of the Officers who are to manage the affairs of the Association until the annual meeting of the Board of Directors to be held in the year 1981 and until their successors are duly elected and qualified are:

President:	Charles M. Jacobson
Vice President:	Martin Kiefs
Secretary/Treasurer:	Jay M. Berlmutter

ARTICLE XII

INDEMNIFICATION

Every Director and every Officer of the Association will be indemnified by the Association against all expenses and liabilities, including legal fees,

B3288 P1386

reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director, or Officer of the Association whether or not he is a Director or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. Provided that, in the event of a settlement this right of indemnification will only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification will be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled. In no way shall this Paragraph relieve either the Officers or the members of the Board of Directors of the Association of their fiduciary responsibilities and relationship to the Association and its members in the event of improper action on their part.

ARTICLE XIII

BY-LAWS

The first By-Laws of the Association will be adopted by the Board of Directors named herein, and may be altered, amended, or rescinded in the manner provided by said By-Laws. Any By-Laws adopted by the Board of Directors shall be consistent with these Articles.

ARTICLE XIV

TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

A. No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, or association, or other organization in which one or more of its Directors or officers are Directors or officers, have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

B3288 P1387

B. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

IN WITNESS WHEREOF, the undersigned subscribers have executed these Articles of Incorporation this 24th day of April, 1980.

Charles M. Jacobson

CHARLES M. JACOBSON

Martin Riefs

MARTIN RIEFS

Jay M. Perlmutter

JAY M. PERLMUTTER

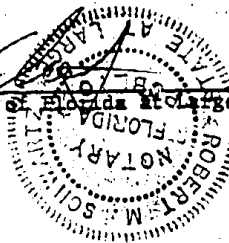
STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 24th day of April, 1980, by CHARLES M. JACOBSON, MARTIN RIEFS and JAY M. PERLMUTTER.

Notary Public, State of Florida at Large
My Commission Expires Sept. 28, 1981
Signed by American Notary & Seal Company

Robert M. Schmitt
NOTARY PUBLIC, State of Florida at Large



My Commission Expires:

B3288 P1388

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE
OF PROCESS WITHIN FLORIDA, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE FOLLOWING IS

SUBMITTED:

FIRST -- THAT Las Verdes Property Owners Association, Inc.

WITH ITS PRINCIPAL PLACE OF BUSINESS AT CITY OF Delray Beach,

STATE OF Florida, HAS NAMED Allan J. Pekor

LOCATED AT 5121 Las Verdes Circle 33445

CITY OF Delray Beach, STATE OF FLORIDA, AS ITS AGENT TO ACCEPT

SERVICE OF PROCESS WITHIN FLORIDA.

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE SETTED CORP-
ORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY AGREE TO ACT IN
THIS CAPACITY, AND I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES
RELATIVE TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES.

TITLE Registered Agent

DATE 4/24/80

B3288 P1389

FILED
Mar 6 11 51 AM '80
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT C

BY-LAWS OF

LAS VERDES PROPERTY OWNERS ASSOCIATION, INC.

A Corporation not for profit
under the laws of the State of Florida

ARTICLE I

GENERAL PROVISIONS

- 1.1 Identity. These are the By-Laws of that certain Association, a Florida corporation not for profit ("Association") whose name appears in the title of this document.
- 1.2 Purpose. This Association has been organized for the purpose of administering the common area of LAS VERDES, a project consisting of several townhouses and condominium areas pursuant to the Master Declaration of Covenants and Restrictions thereof. The provisions of these By-Laws are applicable to all of LAS VERDES and are expressly subject to the terms, provisions and conditions contained in the Articles of Incorporation of said Association ("Articles"), and the Master Declaration of Covenants and Restrictions ("Master Declaration").
- 1.3 Definitions. All of the terms used in these By-Laws shall have the same definitions and meanings as set forth in the Master Declaration when applicable.
- 1.4 Office. The office of the Association shall be at LAS VERDES at 5121 Las Verdes Circle, Delray Beach, Florida, or at such other place as may be designated by the Board of Directors of the Association.
- 1.5 Seal. The Seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation not for Profit", and the year of incorporation.
- 1.6 Fiscal Year. The fiscal year of the Association shall be the calendar year.
- 1.7 Subject To. All members of the Association and their invitees, including, without limitation, all present or future owners and tenants of dwelling units in Las Verdes and other persons using any of the facilities thereof in any manner, are subject to these By-Laws, the Articles of Incorporation and the Master Declaration of Covenants and Restrictions.

ARTICLE II

MEMBERSHIP

The qualifications of members, the manner of their admission to membership, termination of such membership, and provisions for voting by members shall be as set forth in the Master Declaration, Articles, and these By-Laws. The Association shall maintain a roster of the names and mailing addresses of all unit owners from evidence of ownership furnished to the Association as required by the Articles and the Master Declaration.

ARTICLE III

MEETINGS

- 3.1 Annual Meeting. The annual meeting of the members shall be held at least once in each calendar year at the office of the Association at the time designated on the notice thereof, for the purpose of electing directors and for transacting any other business authorized to be transacted by the members.
- 3.2 Special Meetings. Special meetings of the members shall be held when called by the President or Vice President or by a majority of the Board of Directors. Special meetings must be called by

B3288 P1390

such officers upon receipt of a written request from members of the Association having a majority of the votes in the Association.

3.3 Notice of Meetings; Waiver. Notice of all members' meetings, annual or special shall be given by the President, Vice President or Secretary of the Association, to each member. Such notice will be written and must state the time, place and object for which the meeting is called.

3.3.1 Notice of a special meeting must be given or mailed to each member and posted at a conspicuous place on each townhouse and condominium property in LAS VERDES not less than forty-eight (48) hours prior to the date and time set for such meeting. The copy to be given to the members shall be hand delivered or mailed, certified mail, return receipt requested, to the address of the member as it appears on the roster of members.

3.3.2 Notice of annual meetings shall be given to each unit owner and shall be posted in a conspicuous place on each townhouse and condominium property in LAS VERDES at least fourteen (14) days prior to the annual meeting.

3.3.3 Proof of delivery or mailing shall be given by the Affidavit of the person giving the notice or in the case of the Annual Meeting Notice, proof of mailing shall be the post office certificate of mailing.

3.3.4 Notice of a meeting may be waived by any Unit Owner before or after the meeting in writing.

3.3.5 Notice of any meeting where assessments against unit owners are to be considered for any reason shall contain a statement that assessments will be considered and the nature of any such assessment and notice will have attached to it a copy of the proposed budget.

3.4 Quorum. The presence of persons having more than fifty (50%) percent of the total votes of the Association, either in person or by proxy, shall constitute a quorum at any meeting.

3.5 Adjourned Meetings. If a meeting of members cannot be held because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided, however, that notice of the adjourned meeting shall be given in the manner required for notice of a meeting.

3.6 Chairman. At all meetings of the membership, the President shall preside. In the absence of the president, the Board of Directors shall select a Chairman.

3.7 Order of Business. The order of business at the annual members' meetings, and as so far as practical, at any other members' meetings, shall be:

- a. Calling of roll and certifying of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and approval of the minutes.
- d. Reports of officers.
- e. Reports of committees.
- f. Appointment by Chairman of inspectors of elections.
- g. Election of directors.
- h. Unfinished business.
- i. New business.
- j. Financial matters.
- k. Adjournment.

ARTICLE IV

VOTING

4.1 Number of Votes. In any meeting of members, there shall be two (2) classes of members, as follows:

a. Class A Members. Class A members shall be all Property Owners other than the Class B member. Owners of all property shall automatically become Class A members upon purchase of such property.

b. Class B. Members. The Class B member shall be F & R Builders, Inc., a Florida corporation, or its designee, successor or assignee as Developer of Las Verdes who shall remain a member so long as it owns property subject to the Master Declaration of Covenants and Restrictions for Las Verdes.

4.2 "Developer", "Owner, "Unit". Any such terms and any other defined terms used herein and elsewhere in the By-Laws are used with the definitions given those terms in the aforesaid Master Declaration of Covenants and Restrictions for Las Verdes.

4.3 Voting Rights.

a. Subject to the restrictions and limitations hereinafter set forth, each member shall be entitled to one (1) vote for each Unit in which he holds the interest required for membership. In the case of the Developer it shall also have one (1) vote for each of the possible 1125 units which may be constructed on the Undeveloped Parcel. Until the Class B member no longer is a member of the Association, the Class A members shall have no right to vote at membership meetings, except for the election of resident directors to the Board, as stated in Subparagraph B below, and until such time as Developer no longer controls the Board. In no event shall more than one vote be cast with respect to any Unit. Except where otherwise required under the provisions of the Articles, these By-Laws the Master Declaration of Covenants and Restrictions for Las Verdes or by law, the affirmative vote of the Owners of a majority of Units represented at any meeting of the members duly called and at which a quorum is present, shall be binding upon the members.

b. When Unit owners other than F & R Builders, Inc., a Florida corporation (the "Developer") own fifteen percent (15%) but less than fifty percent (50%) of the Units that ultimately will be operated by the Association, the Unit owners other than the Developer shall be entitled to elect not less than nor more than one-third (1/3) of the members of the Board of Directors. Unit owners other than the Developer shall be entitled to elect, not less than nor more than

B3288 P1392

a majority of the Board of Directors three (3) years after sales by the Developer have been closed of fifty percent (50%), but less than ninety percent (90%), of the units that will be operated ultimately by the Association, or three (3) months after sales have been closed by the Developer of ninety percent (90%) of the units that will ultimately be operated by the Association, or when all of the units that will ultimately be operated by the Association have been completed, and some have been sold and none of the others are being offered by the Developer for sale in the ordinary course of business, whichever shall first occur. The Developer shall have the right to elect, in the manner to be provided in the By-Laws,

not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least two percent (2%) of the Units in Las Verdes. Notwithstanding the foregoing, the Developer shall be entitled at any time to waive in writing its rights hereunder, and thereafter to vote in elections for members of the Board of Directors in the same manner as any other member of the Association. After unit owners other than the Developer elect a majority of the members of the Board of Directors, the Developer shall, within a reasonable time and in a manner provided, relinquish control of the Association and shall deliver to the Association all property of the Unit owners and of the Association held or controlled by the Developer. The Developer shall be under no obligation to manage or appoint its representatives to the Board of Directors, and may, at any time, relinquish any rights it has to do so and have its representatives on the Board resign. During the Period Developer appoints the entire Board of Directors, Developer may appoint advisory Directors from the Class A membership who shall participate in the affairs of the Board of Directors, but shall have no vote.

C. The Association shall obtain funds with which to operate by assessment of its members in accordance with the provisions of the Master Declaration of Covenants and Restrictions for Las Verdes, as supplemented by the provisions of the Articles and these By-Laws of the Association relating thereto.

B3288 P1393

4.4 Corporate or Multiple Ownership. If a unit is owned by one person, his right to vote shall be established by the roster of members. If a unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit, as indicated on the roster of unit owners, and filed with the Secretary of the Association. If a unit is owned by a corporation the person entitled to cast the vote for the unit shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Any such certificate shall be valid until revoked by subsequent certificate. If no certificate is filed, the vote of such owners shall not be considered in determining a quorum or for any other purpose.

4.5 Proxies. Votes may be cast in person or by proxy. A proxy may be used by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meetings thereof. Proxies must be filed with the Secretary before the meeting. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the unit owner executing it. Proxy may be held only by members of the Association.

ARTICLE VI

BOARD OF DIRECTORS

5.1 The names and addresses of the members of the first Board of Directors who shall hold office until the annual meeting of the members to be held in the year 1981 and until their successors are elected or appointed and have qualified, are as follows:

Charles M. Jacobson 5121 Las Verdes Circle
Delray Beach, Florida 33445

Martin Riefs 5121 Las Verdes Circle
Delray Beach, Florida 33445

Jay M. Perlmutter 5121 Las Verdes Circle
Delray Beach, Florida 33445

5.2 The affairs of the Association shall be managed by a Board of Directors consisting of not more than twenty (20) Directors. So long as Developer shall not have the right to appoint the Board of Directors, Directors need not be members of the Association and need not be residents of the State of Florida; thereafter, all Directors shall be members of the Association and residents of the State of Florida. There shall be three (3) Directors appointed by the Class B member so long as the Class B member has the right to appoint the Board of Directors.

B3288 P1394

After the Class B member's right to appoint the Board of Directors terminates, there shall be elected by the Class A members a Board of Directors consisting of a number determined based upon the number of units in Las Verdes which are subject to the provisions of the Master Declaration of Covenants and Restrictions. The Owners of Units in each separate phase (each phase being either a separately submitted condominium regime or non-condominium patio villa phase of Las Verdes) of the Property subject to the Master Declaration of Covenants and Restrictions shall elect at least one member of the Board of Directors. Any such phase with more than ninety (90) units shall elect two such directors. Any such phase with more than one hundred eight (180) units shall elect three (3) such directors. For any such phase with more than two hundred seventy (270) units an additional director shall be elected by its members for each group of ninety (90) units in excess of two hundred seventy (270). Each director elected by Class A members shall serve for a term from the date of the meeting where he is elected until the next annual meeting.

5.3 Election of Directors. Election of directors, other than the initial Board, shall be conducted in the following manner:

- a. Election of directors shall be held at the annual members' meeting.
- b. A nominating committee of five members shall be appointed by the Board of Directors not less than 30 days prior to the annual members' meeting. The committee shall nominate one person for each director seat. Nominations for additional directors may be made from the floor.
- c. The election shall be by ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled.
- d. Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.
- e. Any director may be removed by concurrence of two thirds of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

B3288 P1395

- f. Provided, however, that until a majority of the directors are elected by the members other than the Developer, neither the first directors of the Association nor any directors named by the Developer shall be subject to removal by members other than the Developer. The first directors and officers named by the Developer may be removed by the Developer.

5.4 The Term. The term of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

5.5 Organization Meeting. The organization meeting of a newly-elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

5.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. A notice of regular meetings shall be posted conspicuously forty-eight (48) hours in advance for the attention of members of the Association.

5.7 Special Meetings. Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one third or more of the directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Notice of a special meeting shall be posted conspicuously forty-eight (48) hours in advance for the attention of members of the Association except in an emergency.

5.8 Waiver of Notice. Any director may waive in writing notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the giving of notice.

5.9 Notice of Meetings for Assessments. Notice of any meeting where assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

5.10 Quorum. A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Articles of Incorporation or these By-Laws.

5.11 Adjourned Meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.12 Joinder in Meeting by Approval of Minutes. The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of that director for the purpose of determining a quorum.

B3288 P1396

5.13 Presiding Officer. The presiding officer of directors' meeting shall be the Chairman of the Board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

5.14 Order of Business. The order of business at directors' meetings shall be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Reading and disposal of any unapproved minutes.
- d. Reports of officers and committees.
- e. Election of officers.
- f. Unfinished business.
- g. New business.
- h. Financial matters.
- i. Adjournment.

5.15 Directors' Fees. Directors' shall not receive any compensation or fee for their service as director.

5.16 Powers and Duties of the Board of Directors. All of the and duties of the Association existing under the Master Declaration, Articles of Incorporation and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Unit Owners when that is specifically required, including but not limited to the following:

- a. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Master Declaration of Covenants and Restrictions, hereinafter called the "Master Declaration", applicable to the property, to be recorded in the Office of the Clerk of the Circuit Court of Palm Beach County, Florida, and a the same may be amended from time to time as herein provided, said Master Declaration being incorporated herein as if set for at length;
- b. Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Master Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

B3288 P1397

- This Document is Confidential
- c. Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;
- d. Borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- e. Dedicate, sell, or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.
- f. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer; Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of each of the members; and
- g. To purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of interests in, real or personal property, except to the extent restricted hereby to contract for the management and maintenance of the Las Verdes property and to authorize a management agent to assist the association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the common areas with funds as shall be made available by the association for such purposes. The association and its officers shall, however, retain at all times the powers and duties granted by the Master Declaration of Covenants and Restrictions for Las Verdes, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the association;
- h. Have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Florida by law may now or hereafter have to exercise.

ARTICLE VI

OFFICERS

- 6.1 Executive Officers. The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be a director, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.
- 6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time to assist in the conduct of the affairs of the Association as he in his discretion may determine appropriate.
- 6.3 Vice President. The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.
- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President.
- 6.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer.
- 6.6 Compensation. No officers of the Association shall receive any compensation for his services as same. The provisions that Directors' shall not receive any fee or compensation for services as same shall not preclude the Board of Directors from employing a Director as an employee of the Association nor preclude the contracting with a Director for the management of any Condominium or Villa in LAS VERDES.
- 6.7 Initial Officers. The initial officers of the Association, who shall serve until their resignation or removal and replacement by Developer or the election of their successors, shall be those persons so named in the Articles.

B3288 P1399

ARTICLE VII

FISCAL MANAGEMENT

7.1 The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

a. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the owner(s) and mortgagee(s) (if known) of each Unit, the amount of each assessment against the owner(s) of each Unit, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

b. The Board shall adopt, for and in advance of, each calendar year, a budget showing the estimated costs of performing all of the functions of the Association for the year. Each budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining Las Verdes, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and any reserve accounts and/or funds which may be established from time to time by the Board. Unless changed by the Board, the fiscal year of the Association shall be the calendar year. If any budget is subsequently amended, a copy shall be furnished to each affected member. Delivery of a copy of any budget or amended budget to a member for any such assessment nor shall delivery or a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing contained herein shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

B3288 P1400

c. A copy of the proposed annual budgets of the Association shall be mailed to the Unit owners not less than thirty (30) days prior to the meeting of the Board at which the budget will be considered, together with a notice of the time and place of that meeting. Such meeting of the Board shall be open to Unit owners. If a budget is adopted by the Board which requires assessment of the Unit owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Unit owners, a special meeting of the Unit owners shall be held upon not less than ten (10) days written notice to each Unit owner, but within thirty (30) days of the delivery of such application of the Board or any member thereof, at which special meeting, Unit owners may consider only and enact only a revision of the budget or recall any and all members of the Board and elect their successors. Any such revision of the budget shall require a vote of not less than two-thirds (2/3) of the whole number of votes of all unit owners. Any recall of any and all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all Unit owners. The Board may in any event, first propose a budget to the Unit owners at any such meeting of members or by writing, and if such budget or proposed budget be approved by a majority of the whole number of votes of all Unit owners, either at such meeting or by writing, such budget shall not thereafter be re-examined by the Unit owners in the manner hereinabove set forth nor shall any and all members of the Board be recalled under the terms hereof.

d. In determining whether assessments, exceed 115% of similar assessments in the prior budget year, there shall be excluded in the computation for reasonable reserves made by the Board in respect of repair and replacement of Association property and there shall be excluded from computation, assessments for betterments to the property owned by the Association. Provided, however, that so long as Developer is in control of the Board of Directors the Board shall not impose an assessment for a budget year greater than 115% of the prior year's budget assessment without approval of a majority of the whole number of votes of all Unit owners.

e. Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to each Unit owner. Assessments shall be made against Unit owners pursuant to procedures established by the Board, and in accordance with terms of the Declaration and Articles. Unit owners shall be liable to pay assessments not more often than monthly. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these By-Laws.

f. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board, in which all monies of the Association shall be deposited. Withdrawal of monies from such bank(s) shall be only by checks signed by such persons as are designated by the Board.

B3288 P1401

g. A summary of the accounts of the Association shall be prepared annually and a copy of the report shall be furnished to each Member not later than April 1, of the year following the year for which the report is made.

h. Fidelity bonds may be required by the Board from all officers, employees and/or agents of the Association handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

7.2 Proviso. Until the Developer has completed sales and closings of all units in Las Verdes or until Developer's control of the Board of Directors is terminated, whichever shall first occur, the Board of Directors may omit from the budget all allowances for contingencies, capital surplus, and reserve accounts for capital expenditures and deferred maintenance.

ARTICLE VIII

ASSESSMENTS

8.1 Payment. The Association shall obtain funds with which to operate by assessment of its members in accordance with the provisions of the Master Declaration of Covenants and Restrictions for Las Verdes as supplemented by the provisions of the Articles of the Association relating thereto. Said assessments shall be payable monthly, in advance, without notice, and shall be due on the first day of each month. Unless otherwise required by the Board, assessments may not be made payable less frequently than monthly. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors.

8.2 Special Assessments. Special assessments for charges by the Association against members for other than common expenses or for common expenses for emergencies that cannot be paid from the annual assessments for common expenses shall be levied in the same manner as here and before provided for regular assessments, except that notice thereof shall be given and they shall be payable in the manner determined by the Board.

8.3 Past Due Assessments. Assessments and installments thereon not paid when due shall bear interest from the date when due until paid at the rate set forth in the Master Declaration of Covenants and Restrictions for Las Verdes and shall result in the suspension of voting privileges during any period of such nonpayment.

8.4 Audit. An audit of the accounts of the Association which need not be certified shall be made annually as directed by the Board of Directors. A copy of the audit report received as a result of the audit shall be furnished to each member of the Association not less than sixty (60) days after the end of the fiscal year of the Association. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classification, including, but not limited to the items set forth as follows:

B3288 P1402

- a. Cost for security
- b. Professional and management fees & expenses
- c. Taxes
- d. Cost for recreation facilities
- e. Expenses for refuse collection and utility services
- f. Expenses for lawn care
- g. Cost for building maintenance and repair
- h. Insurance costs
- i. Administrative and salary expenses
- j. General reserves, maintenance reserves and depreciation reserves.

8.5 Default and Payment. In the event of a default by a unit owner in the payment of any assessment, the Association shall have all rights and remedies provided by law, including, but not limited to, those provided by the Act and in the Master Declaration.

ARTICLE IX

RULES OF PROCEDURE

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings as well as board of directors meetings when not in conflict with the Master Declaration, the Articles, or these By-Laws. The Board of Directors may adopt additional rules by majority vote.

ARTICLE X

AMENDMENTS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

- 10.1 Proposal. An amendment or amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by the members of the Association owning a majority of the Units in the Condominiums, whether meeting any amendment or amendments to these By-Laws being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association not later than sixty (60) days from the receipt by him of the proposed amendment or amendments.

B3288 P1403

10.2

Notice. It shall be the duty of the Secretary to give each member written notice of such meeting, stating the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than fourteen (14) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member.

10.3

Resolution. At the meeting at which the amendment is to be proposed and considered, a resolution for the adoption of of the proposed amendment may be made by any member of the Board of Directors of the Association, or by any member of the Association, present in person or by proxy.

10.4

Approval. Except as elsewhere provided, the approval of a resolution for the adoption of a proposed amendment to By-laws shall require the affirmative vote of a majority of the members of the Board of Directors of the Association, and the affirmative vote of not less than seventy-five (75%) percent of the total voting membership of the Association. Members of the Board of Directors and members of the Association not present in person or by proxy at the meeting at which the amendment is to be considered may express their approval (or disapproval) of the amendment in writing, provided that such approval is delivered to the Secretary of the Association prior to the commencement of the meeting.

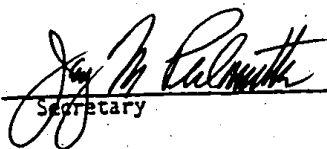
10.5

Limitation. Provided, however, that no amendment shall make any changes in the qualifications for membership nor in the voting rights or property rights of members without approval in writing by all members and the joinder of all record owners of mortgages upon units. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the Amendment.

10.6

Recording. Such amendment or amendments of these By-Laws shall be transcribed and certified in such form as may be necessary to file the same in the office of the Association and shall be recorded in the Public Records of Palm Beach County, Florida, within thirty (30) days from the date on which the same is approved.

The foregoing were adopted as the By-Laws of The Las Verdes Property Owners Association, Inc., a corporation not for profit established under the laws of the State of Florida, at the first meeting of the Board of Directors on the _____ day of _____, 19 _____.


Secretary

Approved:


President

RECORD VERIFIED
PALM BEACH COUNTY, FLA
JOHN B. DUNKLE
CLERK CIRCUIT COURT