

**DECLARATION OF CONDOMINIUM OF  
THE COURT OF NORTH HILL, A CONDOMINIUM**

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Our File No. 03-02-02

**DECLARATION OF CONDOMINIUM OF  
THE COURT OF NORTH HILL, A CONDOMINIUM**

SNOWMASS MOUNTAIN PROPERTIES, LLC., a Florida Limited Liability Company herein called "Developer," on behalf of itself and its successors, grantees, and assigns, hereby makes this Declaration of Condominium:

1. SUBMISSION TO CONDOMINIUM. The fee simple title to the lands located in Escambia County, Florida, and described in attached Exhibit "A" are hereby submitted to the condominium form of ownership.

2. PLAN OF DEVELOPMENT. Developer will construct a total of 22 single family residential units and associated improvements designated as "The Court of North Hill, A Condominium."

3. ASSOCIATION. The name of the Condominium Association is "The Court of North Hill Condominium Association, Inc." This Association is incorporated as a Florida not-for-profit corporation.

4. DEFINITIONS. The terms used herein have the meanings stated in Florida Statutes Chapter 718 (Condominium Act) and as follows unless the context otherwise requires:

4.1 Assessment. The share of the funds required for the payment of common expenses that is assessed against a unit from time to time.

4.2 Association. The corporation responsible for the operation of the Condominium.

4.3 Association Property. All real or personal property owned or leased by the Association.

4.4 Board of Directors or Directors or Board. The board of directors responsible for the administration of the Association.

4.5 Charge or Special Charge. The obligation of a unit owner to pay or reimburse money to the Association that cannot be secured as an assessment under F.S. 718.116, but which will, if the charge is not paid, give rise to a cause of action against the unit owner under this declaration.

4.6 Common Elements. The portions of the property submitted to condominium ownership by the declaration and not included in the units, including:

4.6.1 Land.

4.6.2 All parts of improvements that are not included within the units; including exterior common elements; such as brick and iron or heavy gauge aluminum fence on three sides with a stone wall perimeter fence on the fourth side; ten victorian era electric street lights, grass front yards will be provided on each townhouse; a retaining wall will be built along LaRua Street; two electronically operated gates will be coded; exterior walls, roofs, exterior faces of front doors and garage doors, and all sidewalks inside the  
1  
complex.

4.6.3 Easements.

4.6.4 Installations for the furnishing of services to more than one unit or to the common elements, such as electricity, water, and sewer.

4.6.5 Three designated guest parking spaces including one handicapped

space.

4.7 Common Expenses. All expenses and assessments properly incurred by the Association for the Condominium and any other expenses as may be declared to be common expenses by this Declaration. The cost of providing basic cable television under a bulk service contract and the cost of providing electronic security to the units shall be a common expense.

4.8 Common Surplus. The amount of all receipts or revenues, including assessments, rents, or profits collected by a Condominium Association, that exceeds common expenses.

4.9 Condominium Documents. This Declaration and the attached exhibits setting forth the nature of the property rights in this Condominium and the covenants running with the land that govern these rights. All the other Condominium documents will be subject to the provisions of the Declaration. The order of priority of the documents will be as follows: (1) Declaration; (2) Association Articles of Incorporation; (3) Bylaws; and (4) Rules and Regulations.

4.10 Condominium Parcel. A unit together with the undivided share in the common elements that is appurtenant to the unit.

4.11 Condominium Property. The real and personal property, both tangible and intangible, subject to condominium ownership, whether or not contiguous; all improvements thereon; and all easements and rights appurtenant thereto.

4.12 Developer. SNOWMASS MOUNTAIN PROPERTIES, LLC, the company that has established this Condominium and the successors and assigns of the company's development rights.

4.14 Family. One natural person or a group of two or more natural persons, each of whom is related to each of the others by blood, marriage, or adoption (exclusive of household servants); or not more than two adult persons not so related, and the children of either or both of them, who reside together as a single not-for-profit housekeeping unit.

4.15 Guest. Any person who is physically present in or occupies a unit on a temporary basis at the invitation of the unit owner without the payment of consideration.

4.16 Institutional First Mortgagee. The mortgagee or its assignee of a first mortgage on a condominium parcel. The mortgagee may be a bank, a savings and loan association, a mortgage banker, a life insurance company, a real estate or mortgage investment trust, a pension or profit sharing trust, the Federal Housing Administration, the Department of Veterans Affairs, any agency of the United States of America, or the Developer. The term also refers to any holder of a first mortgage against a condominium parcel, which mortgage is guaranteed or insured, as evidenced by a recorded instrument, by the Federal Housing Administration, the Department of Veterans Affairs, any agency of the United States of America, or any other public or private corporation engaged in the business of guaranteeing or insuring residential first mortgage loans, and their successors and assigns.

4.17 Lease. The grant by a unit owner of a temporary right of use for a period of no less than six months of the owner's unit for a valuable consideration.

4.18 Limited Common Elements. Those portions of the common elements that are reserved for the use of a certain unit or units to the exclusion of the other units.

4.19 Occupy. The act of being physically present in a unit on two or more consecutive days, including staying overnight. An occupant is one who occupies a unit.

4.20 Operation. The administration and management of the Condominium property.

4.21 Person. An individual, corporation, trust, or other legal entity capable of holding title to real property.

4.22 Singular, Plural, Gender. Whenever the context permits, use of the plural includes the singular, use of the singular includes the plural, and use of any gender includes all genders.

4.23 Unit. A part of the Condominium property that is subject to exclusive ownership as described in this Declaration.



4.24 Unit Number. The letter, number, or combination thereof that is designated on the Condominium Plot Plan and used as the identification of a unit.

4.25 Unit Owner. The owner of record legal title to a condominium parcel.

4.26 Voting Interest. The voting rights distributed to the Association members under F.S. 718.104(4)(j).

5. BUILDINGS. There will be four (4) buildings located on the property containing 22 units as follows:

Spring Building: The Spring building has 6 two-story units and 2 three-story units.

	Unconditioned Space	Conditioned Space	Stories
Unit 1	( 3 bed/ 2 ½ bath/ 2902 sq. ft.)	( 1955 sq.ft.)	2
Unit 2	( 2 bed/ 2 ½ bath/ 2175 sq.ft.)	( 1585 sq.ft.)	2
Unit 3	( 2 bed/ 2 ½ bath/ 2175 sq.ft.)	( 1585 sq.ft.)	2
Unit 4	( 4 bed/ 2 ½ bath/ 3295 sq.ft.)	( 2720 sq.ft.)	3
Unit 5	( 4 bed/ 2 ½ bath/ 3295 sq.ft.)	( 2720 sq.ft.)	3
Unit 6	( 2 bed/ 2 ½ bath/ 2180 sq.ft.)	( 1590 sq.ft.)	2
Unit 7	( 2 bed/ 2 ½ bath/ 2195 sq.ft.)	( 1600 sq.ft.)	2
Unit 8	( 2 bed/ 2 ½ bath/ 2225 sq.ft.)	( 1635 sq.ft.)	2

Jackson Building: The Jackson building has 3 two-story units.

Unit 9	( 3 bed/ 2 ½ bath/ 2902 sq.ft.)	( 1955 sq.ft.)	2
Unit 10	( 2 bed/ 2 ½ bath/ 2175 sq.ft.)	( 1585 sq.ft.)	2
Unit 11	( 2 bed/ 2 ½ bath/ 2250 sq.ft.)	( 1600 sq.ft.)	2

Court Building: The Court building has 6 two-story units.

Unit 12	( 2 bed/ 2 ½ bath/ 2155 sq.ft.)	( 1565 sq.ft.)	2
Unit 13	( 2 bed/ 2 ½ bath/ 2160 sq.ft.)	( 1570 sq.ft.)	2
Unit 14	( 2 bed/ 2 ½ bath/ 2195 sq.ft.)	( 1600 sq.ft.)	2
Unit 15	( 2 bed/ 2 ½ bath/ 2225 sq.ft.)	( 1635 sq.ft.)	2

La Rua Building: The La Rua building has 5 two-story units and 2 three-story units.

Unit 16	( 2 bed/ 2 ½ bath/ 2195 sq.ft.)	( 1600 sq.ft.)	2
Unit 17	( 2 bed/ 2 ½ bath/ 2180 sq.ft.)	( 1590 sq.ft.)	2
Unit 18	( 4 bed/ 2 ½ bath/ 3295 sq.ft.)	( 2720 sq.ft.)	3
Unit 19	( 4 bed/ 2 ½ bath/ 3295 sq.ft.)	( 2720 sq.ft.)	3
Unit 20	( 2 bed/ 2 ½ bath/ 2200 sq.ft.)	( 1610 sq.ft.)	2
Unit 21	( 2 bed/ 2 ½ bath/ 2175 sq.ft.)	( 1585 sq.ft.)	2
Unit 22	( 3 bed/ 2 ½ bath/ 2902 sq.ft.)	( 1955 sq.ft.)	2

6. CONDOMINIUM UNITS, BOUNDARIES, AND APPURTENANCES. Each unit and its appurtenances constitutes a separate parcel of real property that may be conveyed, transferred and encumbered like any other parcel of real property, independently of all other parts of the condominium property, subject only to the provisions of the condominium documents and applicable laws.

6.1 Boundaries. Each unit will have boundaries as defined below. The boundaries may exist now or may be created by construction, settlement, movement of the buildings, or permissible repairs, reconstruction, or alterations.

6.1.1 Horizontal Boundaries. The upper and lower boundaries of the units will be:

6.1.1.1 Upper Boundary. The planes of the underside of the finished and undecorated ceilings of the unit, extended to meet the perimeter boundaries.

6.1.1.2 Lower Boundary. The planes of the upperside of the finished and undecorated surface of the floors of the unit, extended to meet the perimeter boundaries.

6.1.2 Perimeter Boundaries. The perimeter boundaries will be both the finished and undecorated interior surfaces of the perimeter walls of the unit as shown on the Condominium Plot Plan, and the planes of the interior surfaces of the unit's windows, doors, and other openings that abut the exterior of the building or common elements, including limited common elements.

6.2 Exclusive Use. Each unit owner will have the exclusive use of such owner's unit.

6.3. Ownership. The ownership of each unit will carry with it, as appropriate, and whether or not separately described, all of the rights, title, and interest of a unit owner in the Condominium property which will include, but not be limited to:

6.3.1 Common Elements and Common Surplus An undivided share of ownership of the common elements and common surplus.

6.3.2 Limited Common Elements. Either the exclusive use or use in common with one or more other designated units of the limited common elements that may exist. Such elements include porches; balconies; patios; access sidewalks; concrete stairs; exterior doors; storage locker(s); open terrace(s); deck(s); rooftop unit amenities; mechanical rooms serving only one unit; and lawns, landscaping and other items exterior to the unit and servicing only one unit, except air conditioning compressors servicing only one unit, and shall be maintained by the Association.

6.3.3 Association Membership. Membership in the Association and voting rights.

6.4 Easements. The following nonexclusive easements are created by and granted from the Developer to each unit owner; The Court of North Hill Condominium Association, Inc., and their employees, agents, and hired contractors; to utility companies; to unit owners' families in residence, guests, and invitees; and to governmental and emergency services, as applicable.

6.4.1 Easement for Air Space. An exclusive easement for use of the air space occupied by the unit as it exists at any particular time and as the unit may be lawfully altered or reconstructed from time to time. The easement will be terminated automatically in any air space that is vacated from time to time.

6.4.2 Ingress and Egress. Easements over the common elements for ingress and egress to units and public ways.

6.4.3 Maintenance, Repair, and Replacement. Easements through the units and common elements for maintenance, repair, and replacement.

6.4.4 Utilities. Easements through the common elements and units for conduits, ducts, plumbing, and wiring, and other facilities for the furnishing of services and utilities to other units, the common elements, and other utility customers, both existing and future.

6.4.5 Public Services. Access to both the Condominium property and the units for lawfully performed emergency, regulatory, law enforcement, and other public services.

7. MAINTENANCE; LIMITATIONS ON ALTERATIONS AND IMPROVEMENTS. The responsibility for protection, maintenance, repair, and replacement of the Condominium property, and restrictions on its alteration and improvement, shall be as follows:

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

7.1.1 Electrical wiring up to the circuit breaker panel in each unit.

7.1.2 Water pipes, up to the individual unit cut-off valve within the unit.

7.1.3 Cable television lines up to the wall outlets in the units.

7.1.4 Air conditioning condensation drain lines, up to the point where they enter each unit.

7.1.5 Sewer lines, up to the point where they enter the unit.

7.1.6 All installations, fixtures, and equipment located within one unit but serving another unit, or located outside the unit, for the furnishing of utilities to more than one unit or the common elements.

7.1.7 The exterior surface of the main entrance doors to the units.

7.1.8 All exterior building walls, including painting, waterproofing, and caulking.

The Association's responsibility does not include exterior air conditioning compressors that serve only one unit, interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing, or mechanical installations located within a unit and serving only that unit or floor, wall, and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a unit and serve only one unit. All incidental damage caused to a unit or limited common elements by work performed or ordered to be performed by the Association shall be repaired promptly by and at the expense of the Association, which shall restore the property as nearly as practicable to its condition before the damage, and the cost shall be a common expense except the Association shall not be responsible for the damage to any alteration or addition to the common elements made by a unit owner or his or her predecessor in title or for damage to paint, wallpaper, paneling, flooring, or carpet which, of necessity, must be cut or removed to gain access to work areas located behind it.

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

7.2.1 Maintenance, repair, and replacement of screens, windows, and window glass.

7.2.2 The main entrance door to the unit and its interior surfaces.

7.2.3 All other doors within or affording access to the unit.

7.2.4 The electrical, mechanical, and plumbing lines, pipes, fixtures, switches, valves, drains, and outlets (including connections) located partially or entirely within the unit or serving only the unit.

7.2.5 The circuit breaker panel and all electrical wiring going into the unit from the panel.

7.2.6 Appliances, water heaters, smoke alarms, and vent fans.

7.2.7 All air conditioning and heating equipment, thermostats, ducts, and installations serving the unit exclusively, except as otherwise provided in Paragraph 7.4. below.

7.2.8 Carpeting and other floor coverings.

7.2.9 Door and window hardware and locks.

7.2.10 Shower pans.

7.2.11 The main water supply shut-off valve for the unit.

7.2.12 Other facilities or fixtures that are located or contained entirely within the unit and serve only that unit.

7.2.13 All interior partition walls that do not form part of the boundary of the unit.

7.3 Other Unit Owner Responsibilities.

7.3.1 Balconies, Patios, and Porches. Where a limited common element consists of a balcony, patio, or porch area, the unit owner who has the right of exclusive use of the area shall be responsible for the day-to-day cleaning and care of the walls, floor, and ceiling bounding that area, if any; all fixed glass and sliding glass doors in portions of the entranceway

to said area, if any; the wiring, electrical outlet(s), and fixture(s) thereon, if any; and the replacement of light bulbs. The Association is responsible for the maintenance, repair, and replacement of all exterior walls of the building and the concrete slabs. The unit owner shall be responsible for day-to-day cleaning and care, but all painting and maintenance of the exterior surfaces and structures of the building shall be the responsibility of the Association and shall be a common expense. The maintenance, repair, replacement, and insurance of owner-approved changes and additions shall be the responsibility of the unit owner.

7.3.2 Interior Decorating. Each unit owner is responsible for all decorating within the owner's unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

7.3.3. Sound Transmission. Each unit owner, by acceptance of a deed or other conveyance of their unit, hereby acknowledges and agrees that sound and impact noise transmission in a building such as the Condominium is very difficult to control and that noises from adjoining or nearby units and/or mechanical equipment can be heard in another unit. The Developer does not make any representation or warranty as to the level of sound or impact noise transmission between and among units and the other portions of the Condominium property, and each unit owner hereby waives and expressly releases, to the extent not prohibited by applicable law as of the date of this Declaration, any such warranty and claims for loss or damages resulting from sound or impact noise transmission.

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

7.3.5 Modifications and Alterations or Neglect. If a unit owner makes any modifications, installations, or additions to the unit or the common elements or neglects to maintain, repair, and replace as required by this Section 7, the unit owner, and the owner's successors in title, shall be financially responsible for:

7.3.5.1 Insurance, maintenance, repair, and replacement of the modifications, installations, or additions;

7.3.5.2 The costs of repairing any damage to the common elements or other units resulting from the existence of such modifications, installations, or additions; and

7.3.5.3 The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium property for which the Association is responsible.

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

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

7.5. Pest Control. The Association may supply pest control services for the inside of each unit, with the cost thereof being part of the common expenses. An owner has the option to decline such service unless the Association determines that service is necessary for the protection of the balance of the Condominium, in which event the owner thereof either must

permit the Association's pest control company to enter the unit or must employ a licensed pest control company to enter the owner's unit on a regular basis to perform pest control services and must furnish written evidence thereof to the Association. The cost of pest control provided by the Association is a common expense, so the election of an owner not to use the service will not reduce the owner's assessments.

7.6. Owner Alteration of Common Elements Restricted. No unit owner may make any alterations, add to, or remove any part of the portions of the improvements that are to be maintained by the Association without the prior written approval of the Board of Directors. The Board has the authority to approve, disapprove, or require modifications to the proposed work. The Board's decision will be final. The owner must obtain all necessary approvals and permits from applicable government entities. The Association may require approval from engineers or other professionals as a prerequisite. The entire expense must be borne by the owner, including any subsequent maintenance and restoration. No owner will do any work that would jeopardize the safety or soundness of the building or impair any easements. If approved by the Board, two units owned by the same owner that are adjacent, horizontally, may be connected by doorways or stairways through common element walls. Such Board-approved work is declared not to constitute material alterations or substantial additions to the common elements.

8. COMMON ELEMENTS:

8.1 Share of. The common elements will be owned by the unit owners in undivided shares as set forth in Exhibit "D." Such undivided shares are stated as fractions and are based on the total square footage of each residential unit in uniform relationship to the total square footage of all of the residential units in the Condominium.

8.2 Use. Each unit owner and the Association will be entitled to use the common elements in accordance with the purposes for which the elements are intended; however, no such use may hinder or encroach upon the lawful rights of other unit owners.

8.3 Material Alterations and Additions. Except for changes made by an owner with Association approval as provided in Paragraph 7.6. above, or by the Board of Directors alone for the integrity of the Condominium property, material alterations of, or substantial additions to, the common elements or to Association property, including the purchase, acquisition, sale, conveyance, or mortgaging of such property, may be effectuated only by vote of 67% of the voting interests of the Association at a meeting called for that purpose.

9. FISCAL MANAGEMENT. The fiscal management of the Condominium, including budget, fiscal year, charges, assessments, and collection of assessments, shall be as set forth herein and in the Bylaws (Exhibit to Prospectus).

10. ADMINISTRATION. The administration of the Condominium shall be by the Board of Directors and its powers and duties shall be as set forth herein and in the Articles of Incorporation and the Bylaws.

11. INSURANCE. To adequately protect the unit owners, the Association, and all parts of the Condominium property and Association property that are required to be insured by the Association, insurance shall be carried and kept in force at all times in accordance with the following provisions:

11.1 Duty and Authority to Obtain. The Board of Directors shall use its best efforts to obtain and maintain adequate insurance. In all insurance purchased by the Association, the name of the insured shall be the Association and the unit owners and their mortgagees (without naming them), as their interests shall appear, and the policy shall provide for the issuance of certificates of insurance and mortgagee endorsements to any or all of the holders of institutional first mortgages. In the event that The Court of North Hill Condominium Association, Inc., requests the Association to name it as an additional insured as its interests may appear, the Association shall do so.

11.2 Basic Insurance. The Board of Directors will procure insurance covering the building and improvements as well as all insurable Association property, in an amount determined annually by the Board. Pursuant to F.S. 718.111(11)(b), the word "building" does not include floor coverings, wall coverings, or ceiling coverings, nor electrical fixtures, appliances, air conditioning or heating equipment, water heaters, or built-in cabinets located within a unit. Such insurance shall afford the following protection:

11.2.1 Property. The policy must include extended coverage (including windstorm) and replacement cost coverage for loss or damage by fire, vandalism and malicious mischief, and other hazards covered by the standard "All Risk" property contract.

11.2.2 Flood. The policy must include up to the replacement cost for each building and insurable improvements, as available.

11.2.3 Liability. The policy must include premises and operations liability endorsements for bodily injury and property damage in such limits of protection and with such coverage as required by the Board of Directors of the Association, with cross-liability endorsements to cover liabilities of the unit owners as a group to a unit owner.

11.2.4 Automobile. The policy must include automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles used in Association business in such limits of protection and with such coverage as may be required by the Board of Directors of the Association.

11.2.5 Workers' Compensation. The Association shall maintain workers' compensation insurance to meet the requirements of law.

11.2.6 Fidelity Bonding. The Association shall obtain and maintain insurance or fidelity bonding for all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.

11.2.7 Directors and Officers Liability Insurance. The Association shall obtain and maintain adequate directors and officers liability insurance using the broad form of policy coverage for all directors and officers and, if available, for committee members of the Association.

11.2.8 Optional Coverage. The Association may purchase and carry such other insurance coverage as the Board of Directors may determine from time to time to be in the best interests of the Association and unit owners.

11.3 Description of Coverage. A detailed summary of the coverage included in the master policies shall be available for inspection by unit owners on request.

11.4 Waiver of Subrogation. The Board of Directors shall endeavor to obtain, if available and where applicable, insurance policies that provide that the insurer waives its rights to subrogation as to any claim against unit owners, the Association, or their respective servants, agents, or guests.

11.5 Shares of Insurance Proceeds. All proceeds of insurance policies purchased by the Association shall be payable to the Association. The duty of the Association shall be to receive such proceeds and hold and disburse them for the purposes stated herein in the following shares:

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

11.5.2 Units. Proceeds on account of damage to units shall be held in as many undivided shares as there are damaged units, the share of each owner being in proportion to the cost of restoring the damage suffered by each such unit.

11.5.3 Mortgagees. If a mortgagee endorsement has been issued as to a unit, the shares of the mortgagee and the unit owner shall be as their interests may appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages that it may hold against units except to the extent that insurance proceeds exceed the actual costs of repair or restoration of the damaged improvements, and no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty. The Association shall pay all policy deductible amounts on Association policies.

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

11.6.1 Cost of Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed by the Association, the proceeds shall first be paid to defray the costs thereof. Any proceeds remaining after defraying costs shall be retained by the Association.

11.6.2 Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds after expenses shall be distributed to the beneficial owners. The remittances to unit owners and their mortgagees shall be payable jointly to them. This is a covenant for the benefit of mortgagees and may be enforced by them.

11.7 Association as Agent. The Association is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association.

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

12.1 Damage to Units. Where loss or damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of the unit owner, any Association insurance proceeds on account of the damage, less the deductible, shall be distributed to such contractors, suppliers, and personnel for work done, materials supplied, or services required for reconstruction or repair. Payments shall be in such amounts and at such times as the unit owners may direct. The owners of damaged units shall be responsible for reconstruction and repair and shall bear the cost thereof, if any, in excess of the insurance proceeds.

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

12.2.1 Estimates. The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of reconstruction and repair, and shall negotiate and contract for the work.

12.2.2 Insurance Insufficient. If the net proceeds of insurance plus available reserves are insufficient to pay for the cost of reconstruction and repair of the common elements, the Association shall promptly, on determination of the deficiency, levy a special assessment against all unit owners. Such special assessments need not be approved by the unit owners. The special assessments shall be added to the proceeds available for reconstruction and repair of the property.

12.2.3 "Very Substantial" Damage. As used in this Declaration, the term "very substantial" damage shall mean loss or damage whereby three fourths or more of the total units are rendered uninhabitable. Should such "very substantial" damage occur, then:

12.2.3.1 Owners' Meeting. A meeting of the Association shall be called by the Board of Directors to be held within a reasonable time after the casualty. A determination by the Board of Directors as to what is a reasonable time shall be conclusive. The purpose of the meeting shall be to determine the wishes of the membership with reference to reconstruction or termination of the Condominium, subject to the following:

12.2.3.1.1 Insurance Sufficient. If the insurance proceeds and reserves available for reconstruction and repair are sufficient to cover the cost thereof, so that no special assessment is required, the Condominium property shall be reconstructed or repaired unless the then applicable zoning or other regulatory laws will not allow reconstruction of the same number and general type of units, in which case the Condominium shall be terminated pursuant to Paragraph 17.2.

12.2.3.1.2 Insurance Insufficient. If the insurance proceeds and reserves available for reconstruction and repair are not sufficient to cover the cost thereof so that a special assessment will be required, then unless at least 67% of the voting interests of the Association vote in favor of such special assessment and against termination of

the Condominium, it shall be terminated pursuant to Paragraph 17.2. If 67% of the voting interests of the Association approve the special assessment, the Association, through its Board, shall levy such assessment and shall proceed to negotiate and contract for such reconstruction and repairs. The special assessment shall be added to the proceeds of insurance and reserves available for reconstruction and repair of the property.

12.2.4 Disputes. If any dispute shall arise as to whether "very substantial" damage has occurred, a determination by the Board of Directors shall be binding on all unit owners.

12.3 Application of Insurance Proceeds. It shall be presumed that the first funds disbursed for reconstruction and repair shall be from the insurance proceeds and they shall first be applied to reconstruction of the common elements and Association property and then to the units; if there is a balance in the funds held by the Association after the payment of all costs of reconstruction and repair, such balance shall be retained by the Association. However, if special assessments were made pursuant to Paragraph 12.2.3.1.2, hereof, then all or a part of the remaining money shall be returned to the unit owners paying those assessments pro rata, according to the amount each paid, up to the full amount each paid, and then to the Association.

12.4 Equitable Relief. In the event of substantial damage to the Condominium property, and if the property is not reconstructed or repaired within a reasonable period of time, any unit owner may petition a court for equitable relief, which may include a termination of the Condominium and a partition. For the purposes of this provision, it shall be conclusively presumed that reconstruction or repair has occurred within a reasonable period of time if substantial work is commenced within such time following the damage or destruction as is determined by the Board of Directors to be reasonable and the work proceeds without intentional and unwarranted delay to completion.

12.5 Plans and Specifications. Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original buildings, or in lieu thereof, according to plans and specifications approved by the Board of Directors and by the owners of 67% of the voting interests of the Association and the Design Review Committee of the Beach Colony Community Association.

13. USE RESTRICTIONS. The use of the property of the Condominium shall be in accordance with the rules and regulations attached hereto and incorporated herein as Exhibit "7" and the following provisions:

13.1 Lawful Use. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies that require maintenance, modification, or repair on Condominium property shall be the same as the responsibility for the repair and maintenance of the property as expressed earlier in this Declaration.

13.2 Rules and Regulations. The rules and regulations attached hereto as Exhibit "7" and made a part hereof by reference concerning the use of the Condominium property including the units may be amended from time to time by the Board of Directors. Copies of the regulations and amendments shall be furnished by the Association to all unit owners. No new or amended regulation may be enforced prior to distribution to the owners.

13.3 Use and Occupancy and Lease of the Units. Said use is restricted to one family and their guests per unit only. Occupancy by guests in the absence of the unit owner is limited to two times per calendar year for maximum periods of 14 days. These use restrictions shall not be construed in such a manner as to prohibit a unit owner from maintaining a personal professional library, keeping personal business or professional records or accounts, or handling personal, business, or professional telephone calls or correspondence in and from owner's unit. Such uses are expressly declared customarily incident to the principal residential use. All guests must be registered with the Association on arrival and unregistered guests may be denied use of recreational facilities and amenities. No unit shall be leased or occupied for a period of less than six (6) months by anyone but the Owner or the Owner's family.

13.4 Access to Units. The Association has an irrevocable right of access to the units during reasonable hours when necessary for the purpose of maintenance, repair, and replacement of the common elements or of any portion of a unit to be maintained by the Association pursuant to this Declaration or for making emergency repairs that are necessary to prevent damage to the common elements or to another unit or units. The owner of a unit has a right of access to any adjoining unit as and if it is reasonably necessary in order to maintain,



repair, or replace parts of the owner's unit. The right of access to a unit shall be exercised after reasonable notice to the unit owners unless such notice is not possible or practical under the circumstances, with due respect for the occupants' rights to privacy and freedom from unreasonable annoyance, and with reasonable precautions to protect the personal property within the unit. The Association requires and shall retain a passkey to all units. No unit owner shall install or alter any lock that prevents access while the unit is unoccupied without providing the Association with a key.

13.5 Exclusive Use and Transfer of Use Rights:

13.5.1 The unit owners desiring to exchange such use rights shall execute a Certificate of Transfer in recordable form, which shall include the recording data identifying this Declaration, and be executed by the owners with the formalities required for the execution of a deed.

13.5.2 The transfer of use rights shall be complete and effective when the Certificate is recorded in the Public Records of Escambia County, Florida. The costs of preparing and recording the Certificate shall be borne by the unit owners desiring the exchange or transfer. A copy of the recorded Certificate shall be provided to the Association for its records.

13.6 Pets — Tenants and Guests. Pets shall be as allowed and regulated in the rules and regulations. However, tenants and guests shall not be permitted to have pets. (See Exhibit 7 to Prospectus).

13.7 Exclusive Use — Common Facilities. The Association may lease to unit owners for appropriate temporary periods of time those portions of the common elements rationally appropriate and desirable for exclusive use (for example, but not by way of limitation, the pool, pool deck, and spa).

13.8 Nuisances Prohibited. No person shall engage in any practice, exhibit any behavior, nor permit any condition to exist that will constitute a nuisance or become a reasonable source of annoyance or disturbance to any occupant of the Condominium.

14. ASSOCIATION APPROVAL REQUIRED FOR LEASE. Except for Developer leases, no owner may lease a unit or any interest therein in any manner without the prior written approval of the Association.

14.1 Leases. Only entire units may be leased. All leases must provide, and if they do not, shall be deemed to provide, the agreement of the lessee(s) to abide by all of the Covenants of the Condominium and Community Associations' documents and that a violation of the documents is a material breach of the lease and is grounds for damages, termination, and eviction, and that the lessee and the owner agree that the Association may proceed directly against such lessee(s) and that the lessee(s) shall be responsible for the Association's costs and expenses, including attorneys' fees, at all trial and appellate levels. If such costs and fees are not immediately paid by the lessee(s), the unit owner shall pay them and such funds shall be secured as a charge. Each unit owner irrevocably appoints the Association as owner's agent authorized to bring actions in owner's name and at owner's expense including injunction, damages, termination, and eviction. The rules and regulations must be provided to the lessee(s) by or on the behalf of the unit owner at or before the commencement of the lease term. The minimum leasing period is 180 days and no unit may be leased more than one time per calendar year.

14.2 Notice of Disapproval. If the Association disapproves the proposed lease, notice of disapproval shall promptly be sent in writing to the owner and the transaction shall not be made. The Association need not approve any lease until such time as all unpaid assessments and all court costs and attorneys' fees (if any) incurred by the Association and due and owing for the unit have been paid. Other appropriate grounds for disapproval are as follows:

14.2.1 The unit owner has a history of leasing the unit without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of the unit.

14.2.2 The real estate company or rental agent handling the leasing transaction on behalf of the unit owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior Association approval.

14.2.3 The application on its face indicates that the person seeking approval intends to conduct himself or herself in a manner inconsistent with the covenants and restrictions applicable to the Condominium and the Association.

14.2.4 The prospective lessee has been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude.

14.2.5 The prospective lessee has a history of conduct that evidences disregard for the rights and property of others.

14.2.6 The prospective lessee evidences a strong possibility of financial irresponsibility.

14.2.7 The prospective lessee, during previous occupancy in this Condominium or elsewhere, has evidenced an attitude of disregard for the Association rules.

14.3 Unapproved Lease Transactions. Any lease that is not approved under the terms of this Declaration shall be void unless subsequently approved by the Association.

15. COMPLIANCE AND DEFAULT. Each unit owner, tenant, and other invitee shall be governed by, and shall comply with, the provisions of the Condominium Act as amended from time to time, this Declaration, including its exhibits, the Association Articles of Incorporation, and the Association Bylaws.

15.1 Remedies. Failure to comply shall be grounds for relief, which relief may include, but shall not be limited to, an action to recover damages, injunctive relief, or both. Actions may be maintained by the Association or by any unit owner.

15.2 Costs and Fees. In any such proceeding, including appeals, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees.

15.3 Owner Inquiries. When a unit owner files a written inquiry by certified mail with the Board of Directors, the Board shall respond in writing to the unit owner within 30 days of receipt of the inquiry. The Board's response shall either (a) give a substantive response, (b) notify the inquirer that a legal opinion has been requested, or (c) notify the inquirer that advice has been requested from the Bureau of Compliance, Division of Florida Land Sales, Condominiums, and Mobile Homes. If advice has been requested from the Bureau of Compliance, the Board shall provide a written substantive response to the inquirer within 10 days of receipt of the advice. If a legal opinion is requested, the Board shall provide a written substantive response to the inquirer within 60 days of receipt of the inquiry. The failure to provide a substantive response as set forth above precludes the Association from recovering attorneys' fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the complaint. If unresolved, a dispute, as defined in F.S. 718.1255(1), must be arbitrated in mandatory non-binding arbitration proceedings prior to commencement of litigation. The Board of Directors may adopt reasonable rules and regulations governing the frequency and manner of responding to unit owner inquiries, including a limit of one unit owner inquiry in any 30-day period.

15.4 No Waiver of Rights. The failure of the Association or any owner to enforce any covenant, restriction, or other provision of the condominium documents shall not constitute a waiver of the right to do so thereafter as to subsequent or other instances.

16. AMENDMENTS. Amendments to any of the condominium documents shall be in accordance with the following:

16.1 Requirements. An amendment may be proposed either by the Board of Directors or by 25% of the voting interests of the Association and may be considered at any meeting of the owners, regular or special, of which due notice has been given according to the Bylaws, which notice includes notice of the substance of the proposed amendment. Passage shall be evidenced by a certificate executed in recordable form signed by the President or Vice President of the Association that it has been enacted by the affirmative vote of the required percentage of the voting interests (which vote may include later written approval of voters not present) and the separate written joinder of mortgagees where required and shall include the recording date (identifying the location of the Declaration as originally recorded). The amendment shall become effective when the certificate is recorded in the public records.

16.2 Correctory Amendments. Whenever it shall appear that there is a defect, error, or omission in any of the Condominium documents or in order to comply with applicable laws or requirements of government entities, the amendment may be adopted by the Board of Directors alone.

16.3 Regular Amendments. Amendments may be enacted by a favorable vote of the owners of 67% of the voting interests in the Association.

16.4 Developer Amendments. Until relinquishment of Developer control of the Association (turnover) and except as otherwise provided by law in F.S. 718.110(2), the Developer specifically reserves the right, without the joinder of any person, to make such amendments to the Declaration and its exhibits, or to the plan of development, as may be required by any lender or governmental authority, or as may be, in the developer's judgment, necessary or desirable. This paragraph shall take precedence over any other provision of the Declaration or its exhibits.

16.5 Mortgagee Approval. Amendments materially affecting the rights or interests of mortgagees must have the approval of the holders of institutional first mortgages of record representing 51% of the votes of units subject to such mortgages who have requested the Association to notify them on any proposed action specified in this paragraph. Implied approval shall be assumed when such holder fails to respond to any written request for approval within 30 days after the mortgage holder receives proper notice of the proposal, provided the notice was delivered certified or registered mail with a "Return Receipt" requested. In the event that mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the Association and recorded in the Public Records of Escambia County, Florida. A change to any of the following shall be considered as material:

16.5.1 Any change in the proportion or percentage by which the owner of the unit shares the common expenses and owns the common surplus.

16.5.2 Reallocation of interests or use rights in the common elements.

16.5.3 Redefinition of any unit boundaries.

16.5.4 Convertibility of units into common elements or vice versa.

16.5.5 Expansion or contraction of the Condominium.

16.6 Developer's Rights. No amendment to this Declaration or any of the Condominium documents shall change the rights and privileges of the Developer without the Developer's written approval as long as the Developer holds any units for sale in the ordinary course of business.

16.7 Written Agreements. Any approval of unit owners on any matter called for by this Declaration, its exhibits, or any statute to be taken at a meeting of unit owners is hereby expressly allowed to be taken instead by written agreement, without a meeting (which agreement may be in counterparts), subject to F.S. 718.112(2)(d)4 and F.S. 617.0701.

17. TERMINATION. The termination of the Condominium shall be carried out in accordance with the following:

17.1 By Agreement. The Condominium may be caused to be terminated at any time by written agreement of the owners of at least three fourths of the units, and of the holders of institutional first mortgages as provided for in Paragraph 16.5 above.

17.2 Without Agreement on Account of Very Substantial Damage. If the Condominium suffers "very substantial damage" to the extent defined above in Paragraph 12.2.3, and it is not decided as therein provided that the Condominium will be reconstructed or repaired, the condominium form of ownership of the property in this Condominium will be terminated.

17.3 Process of Termination. Termination of the Condominium occurs when a Certificate of Termination meeting the requirements of this paragraph is recorded in the Public Records of Escambia County, Florida.

17.3.1 Certificate of Termination. The termination of the Condominium by either of the foregoing methods shall be evidenced by a Certificate of Termination, executed by the President or Vice President with the formalities of a deed, and certifying as to the facts effecting the termination. The Certificate also shall include the name and address of a Florida

financial institution with trust powers or a licensed Florida attorney who is designated by the Association to act as Termination Trustee, and shall be signed by the Trustee indicating willingness to serve in that capacity.

17.3.2 Divesting of Property. The recording of that Certificate of Termination automatically divests the Association of title to all Association property, and divests all unit owners of legal title to their respective Condominium parcels, and vests legal title in the Termination Trustee named in the Certificate of Termination, to all real and personal property that was formerly the Condominium property or Association property, without need for further conveyance. Beneficial title to the former Condominium and Association property shall be transferred to the former unit owners as tenants in common, in undivided shares as determined in 17.3.3 below, without further conveyance. Each lien encumbering a Condominium parcel shall be automatically transferred to the equitable interest in the former Condominium property and Association property attributable to the unit encumbered by the lien, with the same priority.

17.3.3 Owner's Beneficial Interest. The beneficial interest of the former owner shall be a fraction, the numerator of which is the assessed value for ad valorem taxation of the former owner's parcel immediately prior to the termination without reduction for homestead exemption or any other exemptions personal to the unit owner (if any) and the denominator of which shall be the total assessed value of all the parcels, likewise without exemptions.

17.4 Winding Up of Association Affairs. The termination of the Condominium does not, by itself, terminate the Association. The former unit owners and their successors and assigns shall continue to be members of the Association, and the members of the Board of Directors and the officers of the Association shall continue to have the powers granted in this Declaration, the Articles of Incorporation, and the Bylaws, to the extent necessary for, and for the sole purpose of, winding up the affairs of the Association in accordance with this paragraph.

17.5 Trustee's Powers and Duties. The Termination Trustee shall hold legal title to the property for the benefit of the former unit owners and their successors, assigns, heirs, devisees, mortgagees, and other lienholders, as their interests shall appear. If the former unit owners approve a sale of the property as provided in this paragraph, the Termination Trustee shall have the power and authority to convey title to the purchaser and to distribute the proceeds in accordance with the provisions of this paragraph. The Termination Trustee may charge a reasonable fee for acting in such capacity, and that fee, as well as all costs and expenses incurred by the Termination Trustee in the performance of its duties, shall be paid by the Association or taken from the proceeds of the sale of the former Condominium and Association property and shall constitute a lien on the property superior to any other lien. The Trustee shall be entitled to indemnification by the Association from any and all liabilities and costs incurred by virtue of acting as Termination Trustee unless such liabilities are the result of gross negligence or malfeasance. The Termination Trustee may rely on the written instructions and information provided to it by the officers, directors, and agents of the Association and shall not be required to inquire beyond such information and instructions.

17.6 Partition; Sale. Following termination, the former Condominium property and Association property may be partitioned and sold on the application of any unit owner. If following a termination at least 75% of the voting interests agree to accept an offer for the sale of the property, the Board of Directors shall notify the Termination Trustee, and the Trustee shall complete the transaction. In that event, any action for partition of the property shall be held in abeyance pending the sale, and on the consummation of the sale shall be discontinued by all parties thereto. If the unit owners have not authorized a sale of the former Condominium and Association property within one year after the recording of the Certificate of Termination, the Trustee may proceed to sell the property without agreement by the Association or the former unit owners. The net proceeds of the sale of any of the property or assets of the Association shall be distributed by the Termination Trustee to the beneficial owners thereof, as their interests shall appear.

17.7 New Condominium. The termination of the Condominium does not bar creation of another Condominium including all or any portion of the property.

17.8 Provisions Survive Termination. The provisions of this Section 17 are covenants running with the land and shall survive the termination of the Condominium until all matters covered by those provisions have been completed. The Board of Directors shall continue to function in accordance with the Bylaws and Articles of Incorporation and shall have the power to levy assessments to pay the costs and expenses of the Termination Trustee and of maintaining the property until it is sold. The costs of termination, the fees and expenses of the Termination Trustee, and post-termination costs of maintaining the former Condominium property are

common expenses, the payment of which shall be secured by a lien on the beneficial interest owned by each former unit owner, which to the maximum extent permitted by law shall be superior to, and take priority over, all other liens.

18. PROVISIONS PERTAINING TO DEVELOPER. As long as the Developer holds any unit for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

18.1 Assessment of the Developer as a unit owner for capital improvements.

18.2 Any action by the Association that would be detrimental to the sale of units or the completion of the project by the Developer, including such use of unsold units and common elements and Association property as may facilitate completion, sale, maintenance of a sales office, showing of the property, and display of signs.

19. RIGHTS OF MORTGAGEES:

19.1 Partial Release from Prior Assessments. A first mortgagee who acquires title to a unit by purchase at a foreclosure sale or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the mortgagee's receipt of the deed, but in no event shall the mortgagee be liable for more than six months of the unit's unpaid common expenses or assessments accrued before the acquisition of the title to the unit by the mortgagee or 1% of the original mortgage debt, whichever amount is less. This provision shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Such mortgagee may obtain title, own, occupy, lease, sell, or otherwise dispose of such unit without the approval of the Association.

19.2 Rights to Information. On receipt by the Association from any institutional mortgagee, guarantor, or insurer of a copy of the mortgage held by such mortgagee, guarantor, or insurer on a unit, together with a written request from such mortgagee or an insurer or guarantor of such mortgagee specifying the address to which the following items are to be sent, the Association shall timely send to such mortgagee, insurer, or guarantor the following, for which the Association may charge a reasonable fee:

19.2.1 Financial Statements. A copy of a financial statement of the Association for the immediately preceding fiscal year;

19.2.2 Insurance Cancellation. Written notice of the cancellation or termination by the Association of any policies of insurance covering the Condominium or Association property or any improvements thereon, or any fidelity bonds of the Association except when the reason for the termination or cancellation of the insurance policy or bond is to change insurance companies or because the policy or bond is not needed or is not available; and

19.2.3 Damage to Condominium. Written notice of any damage or destruction to the improvements located on the common elements or Association property that affects a material portion of the common elements or Association property or the unit securing its mortgage; and

19.2.4 Eminent Domain. Written notice of a condemnation or eminent domain proceeding affecting a material portion of the Condominium property or the unit securing its mortgage;

19.2.5 Delinquent Assessments. Written notice of failure by the owner of a unit encumbered by a first mortgage held by such institutional mortgagee, guarantor, or insurer to pay any assessments when such failure or delinquency has continued for a period of 60 days or longer.

19.2.6 Failure to Notify. The failure of the Association to send any such notice to any such mortgagee, guarantor, or insurer shall have no effect on any meeting, action, or thing that was to have been the subject of such notice nor affect the validity thereof and shall not be the basis for liability on the part of the Association.

20. ENFORCEMENT OF ASSESSMENT LIENS. Liens for unpaid assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property and the Association may also bring an action to recover a money judgment. After a judgment of foreclosure has been entered, the unit owner during occupancy shall be required to pay a reasonable rental if so ordered by the Court. If the unit is rented or

leased during the pendency of a foreclosure action, the Association shall be entitled to the appointment of a receiver to collect the rent. The Association shall have all the powers provided in F.S. 718.116 and shall be entitled to collect interest at the highest lawful rate on unpaid assessments and reasonable attorneys' fees, including appeals, and costs incident to the collection of such assessment or enforcement of such lien, with or without suit.

20.1 Creation and Enforcement of Charges. The Association shall have a cause of action against unit owners to secure payment to the Association by unit owners of all charges, costs, and expenses to the Association that cannot be secured as assessments, regular or special, under F.S. 718.116. The charge shall bear interest at the highest lawful rate, and shall carry with it costs and attorneys' fees, including costs and fees on appeal, incurred in collection.

21. ASSOCIATION AGREEMENTS. The Association is authorized to enter into agreements to acquire leaseholds, memberships, and other possessory or use interests in lands or facilities such as country clubs, golf courses, marinas, and other facilities. Such interests need not be contiguous to the lands of the Condominium if they are intended to provide enjoyment, recreation, or other use or benefit to the unit owners.

22. COMMON EXPENSES AND COMMON SURPLUS. Each unit's share shall be that share of the whole set forth in Exhibit "D" to the Declaration.

23. CONDEMNATION:

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

23.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided in Section 12 above for determining whether damaged property will be reconstructed and repaired after a casualty.

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

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

23.5 Units Reduced but Tenantable. If the taking reduces the size of a unit and the remaining portion of the unit can be made tenantable, the awards for the taking of a portion of that unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

23.5.1 Restoration of Unit. The unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be paid by the owner of the unit;

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

23.6 Unit Made Untenantable. If the taking is of any entire unit or so reduces the size of a unit that it cannot be made tenantable, the award for the taking of the unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

23.6.1 Payment of Award. The fair market value of the unit immediately prior to the taking, as determined by agreement between the unit owner and the Association or by arbitration in accordance with Paragraph 23.6.4., shall be paid to the owner of the unit and to each mortgagee of the unit, the remittance being made payable jointly to the owner and the mortgagee(s).

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

23.6.3 Adjustment of Shares in Common Elements. The shares in the common elements appurtenant to the units that continue as part of the Condominium shall be adjusted to distribute the ownership of the common elements among the reduced number of unit owners. This shall be done by restating the shares of continuing unit owners in the common elements as percentages of the total remaining square footage of units calculated as provided in Exhibit "D" to this Declaration.

23.6.4 Arbitration. If the fair market value of a unit prior to the taking cannot be determined by agreement between the unit owner and the Association within 30 days after notice by either party, the value shall be determined by appraisal in accordance with the following. The unit owner, the first mortgagee, if any, and the Association shall each appoint one M.A.I. appraiser who shall appraise the unit and shall determine the fair market value by computing the arithmetic average of their appraisals of the unit. A judgment of specific performance on the value arrived at by the appraisers may be entered in any court of competent jurisdiction. The cost of appraisals shall be paid by the party selecting the appraiser.

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

23.8 Amendment of Declaration. Changes in the units, in the common elements, and in the ownership of the common elements that are necessitated by condemnation shall be evidenced by an amendment of the Declaration of Condominium as ordered by a court or approved by a majority of unit owners (voting interests) of this Condominium, without the consent of any mortgagee being required for any such amendment.

24. VOTING. Each unit shall have one full indivisible vote in all matters.

25. FUTURE DEVELOPMENT EASEMENTS. The Developer, for itself and its successors and assigns, reserves easements over the Condominium property as necessary to complete future development, if any, including construction access and utilities.

26. SEVERABILITY AND NON-WAIVER. If any provision of this Declaration or its exhibits as now constituted or as later amended or any section, paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstances, is held invalid, the validity of the remainder and of the application of any such paragraph, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby. The failure of the Association in any instance to enforce any covenant or provision of this Declaration or any of the Condominium documents shall not constitute a waiver of its right to do so thereafter in other instances.

THIS DECLARATION OF CONDOMINIUM and exhibits hereto made and entered into on this the 16 day of March, 2006

WITNESSES: SNOWMASS MOUNTAIN PROPERTIES, LLC, a Florida limited liability company, the Developer

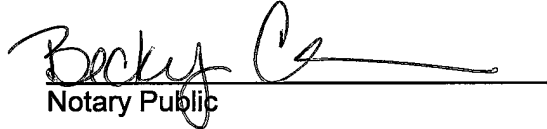
*Becky O*  
*Soreanne M. Wilkiner*

By: Michael T. Bass  
MICHAEL T. BASS, Managing Member

**ACKNOWLEDGMENT**

STATE OF FLORIDA  
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me on the 16<sup>th</sup> day of March 2006 by MICHAEL T. BASS, as the Managing Member of SNOWMASS MOUNTAIN PROPERTIES, LLC, a Florida limited liability company, on behalf of said company, and is personally known to me.

  
Notary Public





This instrument was prepared by:  
Charles S. Liberis, Esquire  
Liberis & Associates, P.A.  
40 S. Palafox Place, Suite 500  
Pensacola, FL 32502  
(850) 438-9647  
Our File No. 03-02-02

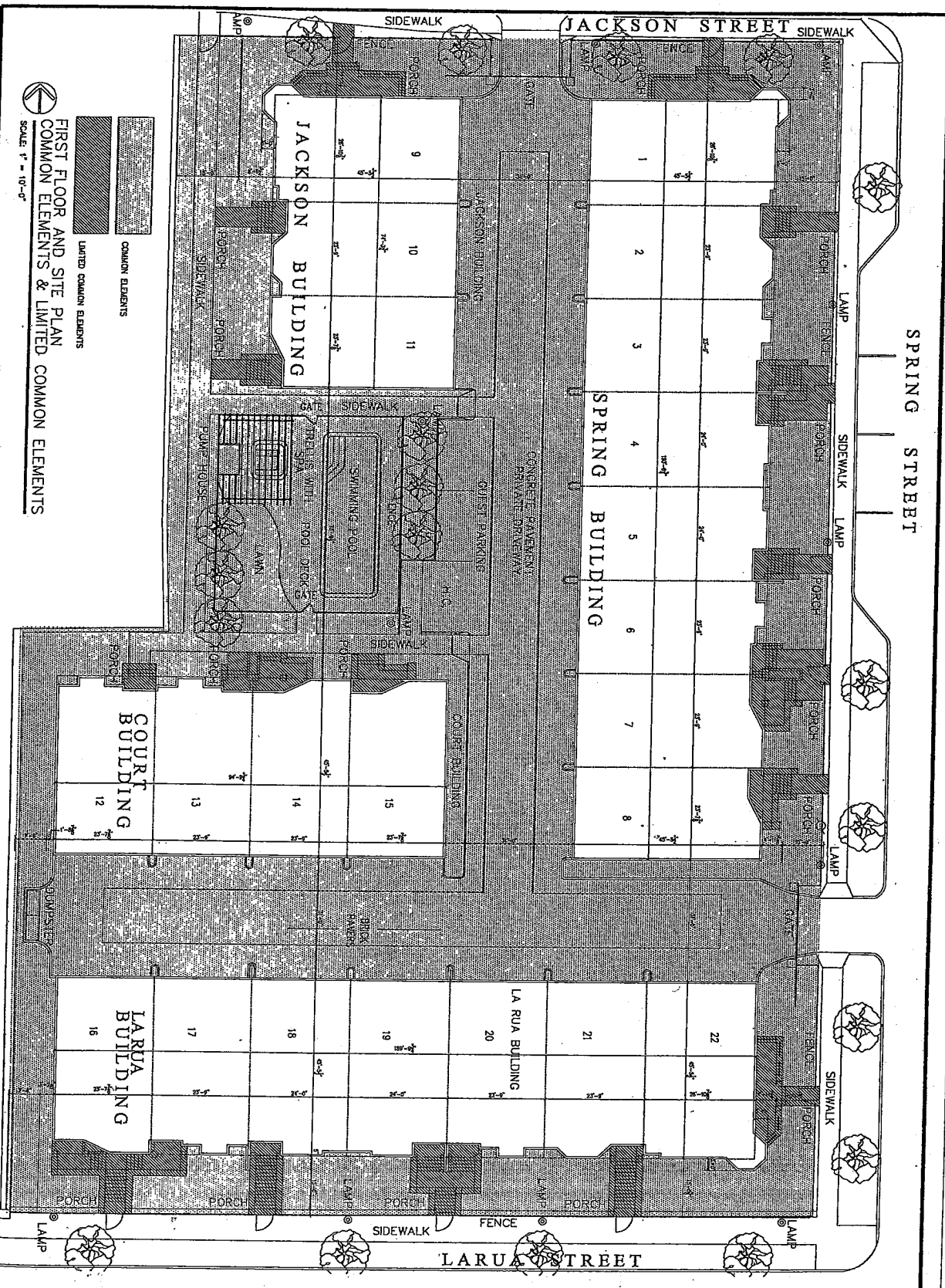
**EXHIBIT "A"**  
**TO**  
**DECLARATION OF CONDOMINIUM**  
**OF THE COURT OF NORTH HILL, A CONDOMINIUM**

**LEGAL DESCRIPTION OF THE CONDOMINIUM PROPERTY**

Lots Seventeen (17) to Twenty-Four (24) both inclusive, and the South Thirty (30) feet of Lot Twelve (12) in Block Eighteen (18) of the Belmont Tract, according to map of said City of Pensacola, copyrighted by Thomas C. Watson in 1906. Together with the North One Hundred Twenty (120) Feet of Lot Twelve (12) and all of Lots Thirteen (13), Fourteen (14), Fifteen (15), and Sixteen (16), Block Eighteen (18), of the Belmont Tract, in the City of Pensacola, Escambia County, Florida, according to the map of said City copyrighted by Thomas C. Watson in 1906.

**COMPOSITE EXHIBIT "B" TO DECLARATION OF CONDOMINIUM OF THE COURT OF NORTH HILL, A CONDOMINIUM**

**Survey showing improvements with unit #'s**



COMMON ELEMENTS
   
 LIMITED COMMON ELEMENTS
   
 FIRST FLOOR AND SITE PLAN
   
 COMMON ELEMENTS & LIMITED COMMON ELEMENTS
   
 SCALE 1" = 10'-0"




SPRING STREET

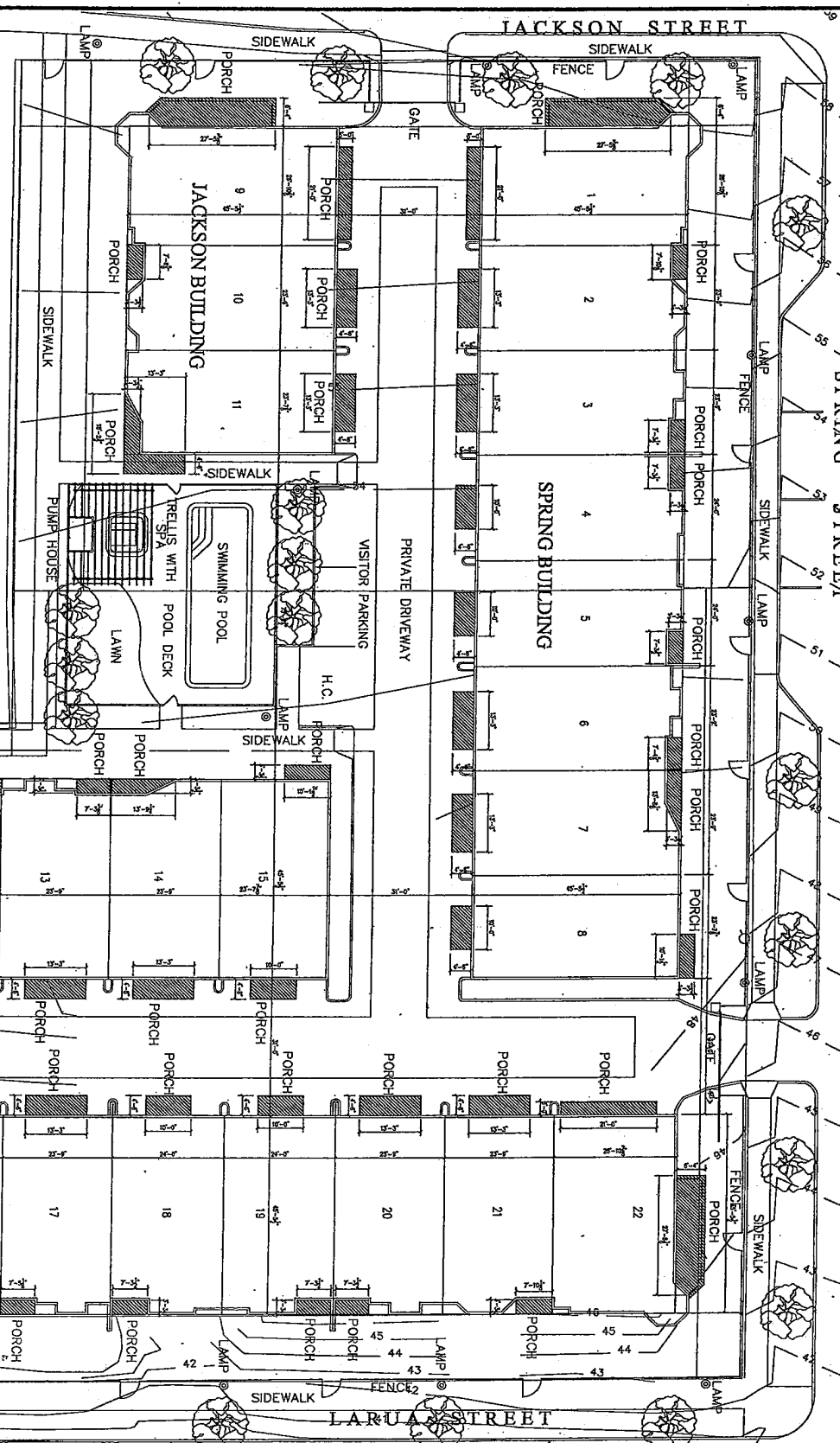
JACKSON STREET

LARUA STREET

PROJECT: COURT OF NORTH HILL, PHOENIX, ARIZONA  
 CITY OF PHOENIX, ARIZONA  
 DESIGN: [Faded text]  
 ARCHITECTS: [Faded text]  
 ARCHITECT: [Faded text]  
 PROJECT NUMBER: [Faded text]  
 SHEET NUMBER: [Faded text]  
 DATE: 3-2-2005  
 DRAWN BY: C.E.K.L.  
 CHECKED BY: [Faded text]  
 PROJECT NO. 2004-20C  
 DATE: 3-2-2005  
 DRAWN BY: C.E.K.L.  
 CHECKED BY: [Faded text]

A1.3


**SECOND FLOOR**  
**COMMON ELEMENTS & LIMITED COMMON ELEMENTS**  
 SCALE: 1" = 10'  
 COMMON ELEMENTS  
 LIMITED COMMON ELEMENTS



**REVISIONS**  
 SCHEMATIC  
 CONSTRUCTION

PROJECT:  
 NORTH HILL  
 PHOENIX, ARIZONA

CITY OF PHOENIX  
 DESIGN  
 QUALITY CONTROL  
 ARCHITECTS

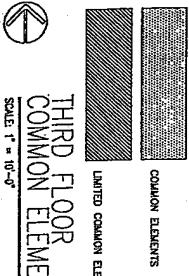
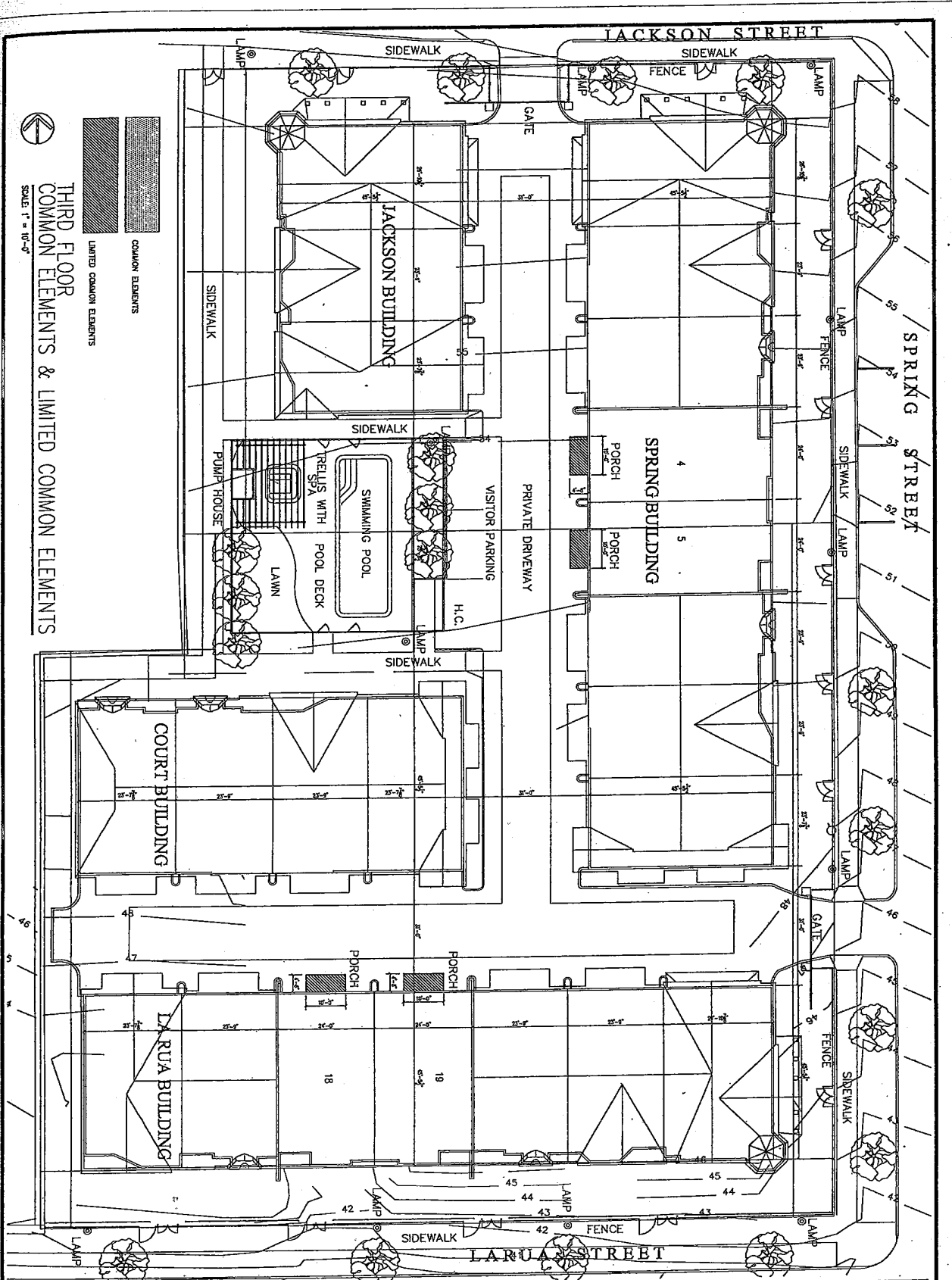
ARCHITECT  
 DESIGNER  
 DRAWN BY: CLK/L

PROJECT NO. 209-205  
 DATE: 3-2-2005  
 DRAWN BY: CLK/L

ALL RIGHTS RESERVED  
 NO PART OF THIS DOCUMENT  
 MAY BE REPRODUCED OR  
 TRANSMITTED IN ANY FORM  
 OR BY ANY MEANS  
 WITHOUT THE WRITTEN  
 PERMISSION OF THE  
 ARCHITECT

SECOND FLOOR  
 COMMON ELEMENTS  
 LIMITED COMMON ELEMENTS

A1.4



THIRD FLOOR  
COMMON ELEMENTS & LIMITED COMMON ELEMENTS  
SCALE: 1" = 10'-0"

RESISTANCE  
SCHEDULE  
NOT FOR  
CONSTRUCTION

PROJECT  
COURT OF  
NORTH HILL  
PERRIN/COURT/ARMA

CITY OF PERRIN  
DESIGNER  
COURT OF NORTH HILL  
ARCHITECTS

ARCHITECT  
PERRIN ARCHITECTURE  
DANIEL L. SMITH, AIA  
ARCHITECT

DATE: 3-2-2005  
DRAWN BY: CEK/L

THIRD FLOOR  
COMMON ELEMENTS  
& LIMITED ELEMENTS

A1.5

REVISIONS:  
SCHEMATIC  
NOT FOR  
CONSTRUCTION

PROJECT  
COURT OF  
NORTH HILL  
PENSACOLA, FLORIDA

CITY OF PENSACOLA  
DESIGN  
City of Pensacola Dept.  
P.E.M.

ARCHITECTS  
P.O. Box 10000  
PENSACOLA, FLORIDA 32502

ARCHITECT

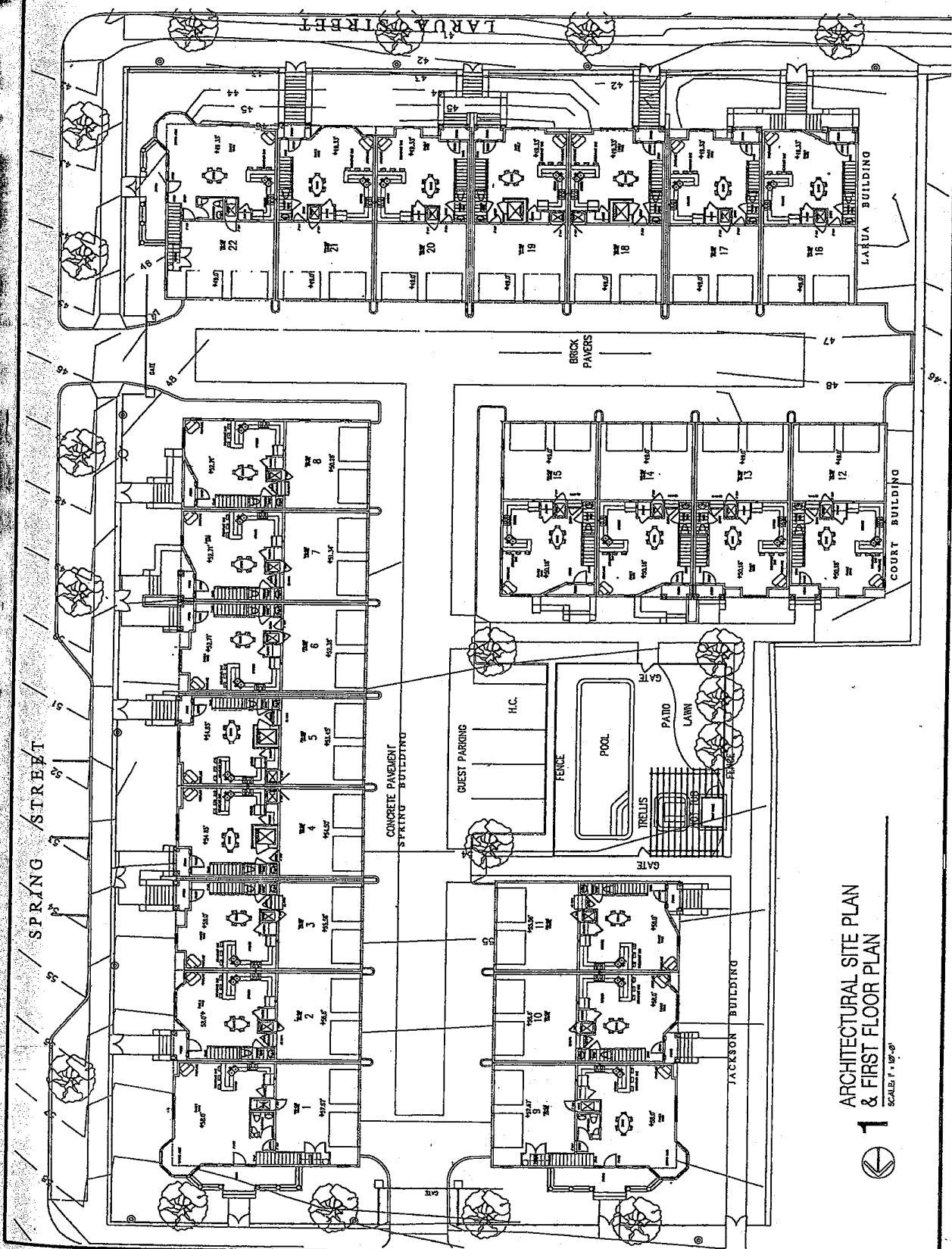
ARCHITECTS  
P.O. Box 10000  
PENSACOLA, FLORIDA 32502

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DATE: 10/1/87  
DRAWN BY: J.M.P.  
CHECKED BY: J.M.P.

SCALE: 1/8" = 1'-0"  
DATE: 10/1/87  
DRAWN BY: J.M.P.  
CHECKED BY: J.M.P.

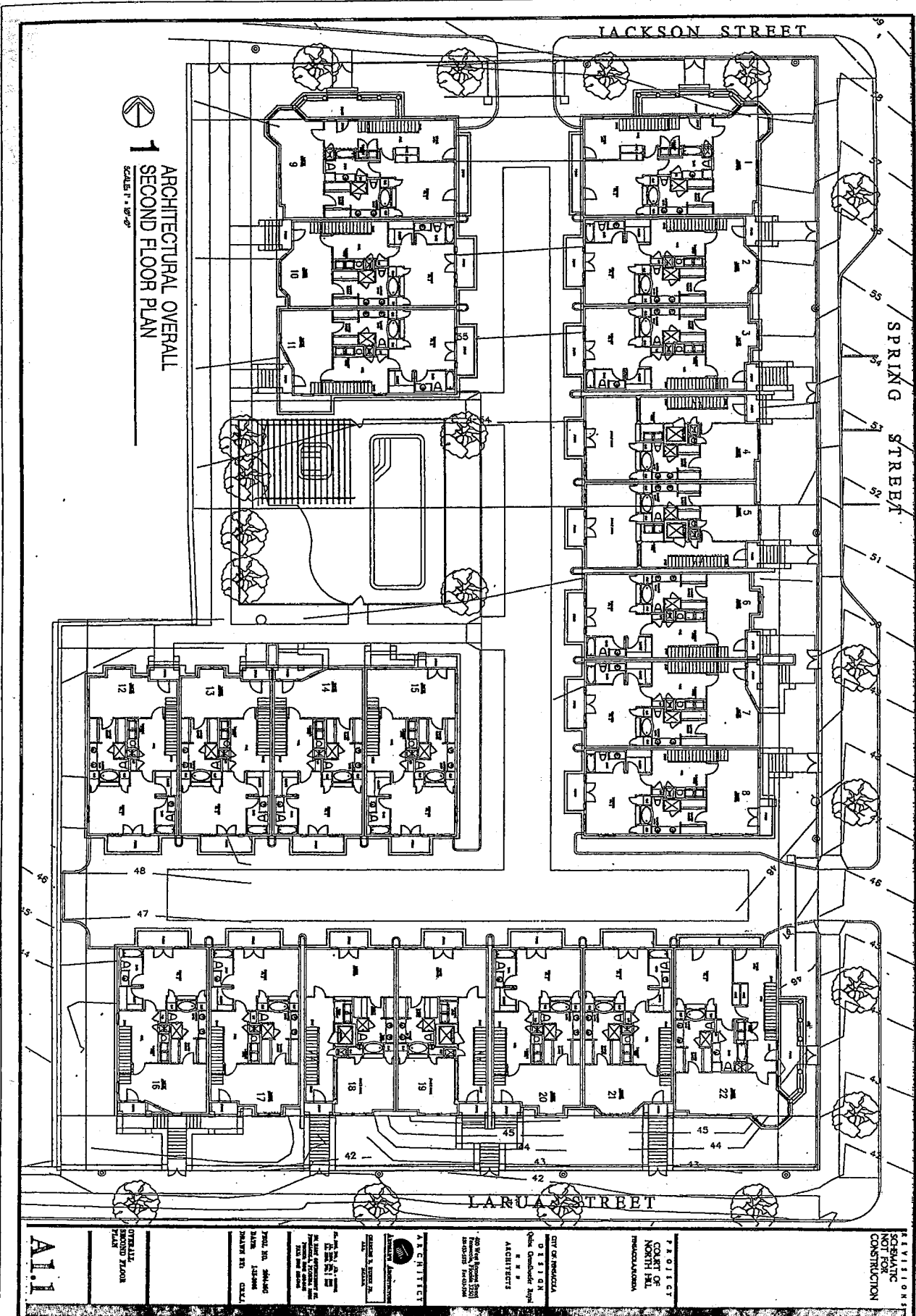
UTLILIA  
FIRST FLOOR  
PLAN

A1.0



ARCHITECTURAL SITE PLAN  
& FIRST FLOOR PLAN  
SCALE: 1/8" = 1'-0"

EXHIBIT "C"  
GRAPHIC  
DESCRIPTION OF  
UNITS AND  
IMPROVEMENTS  
THE COURT OF  
NORTH HILL, A  
CONDOMINIUM




  
**1**
  
 ARCHITECTURAL OVERALL
   
 SECOND FLOOR PLAN
   
 SCALE: 1" = 30'-0"

PRELIMINARY SCHEMATIC NOT FOR CONSTRUCTION
   
 PROJECT: COURT OF NORTH HALL
   
 ARCHITECTS: [Faded text]
   
 CITY OF INDIANAPOLIS
   
 A.E. ARCHITECT
   
 400 West Harrison Street
   
 Indianapolis, Indiana
   
 46204-1100
   
 PHONE NO. 317-434-1100
   
 FAX NO. 317-434-1101
   
 1000 North Capitol Avenue, Suite 1100
   
 Indianapolis, Indiana 46202-4242
   
 DATE: 10/15/01
   
 DRAWN BY: [Faded text]
   
 CHECKED BY: [Faded text]
   
 APPROVED BY: [Faded text]
   
 A.I.I.

REVISIONS  
SCHEMATIC  
NOT FOR  
CONSTRUCTION

PROJECT  
COURT OF  
NORTH HILL  
PHILADELPHIA, PA

CITY OF PHILADELPHIA  
DEPARTMENT OF  
Public Works  
ARCHITECTS

ARCHITECTS  
PHILADELPHIA

ARCHITECT

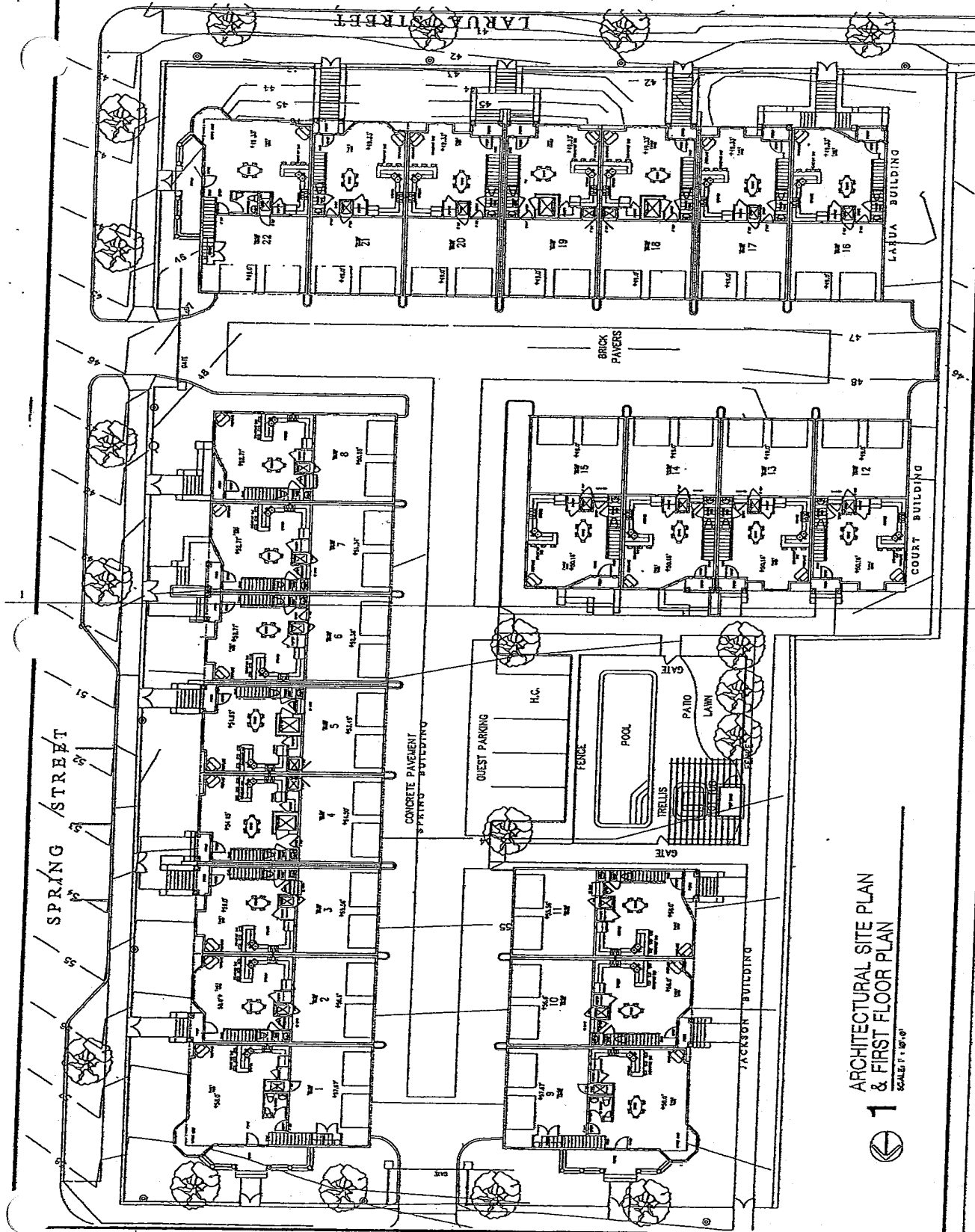
ARCHITECTS  
PHILADELPHIA

ARCHITECTS  
PHILADELPHIA

ARCHITECTS  
PHILADELPHIA

OVERALL  
FIRST FLOOR  
PLAN

A1.0



**EXHIBIT "C"**

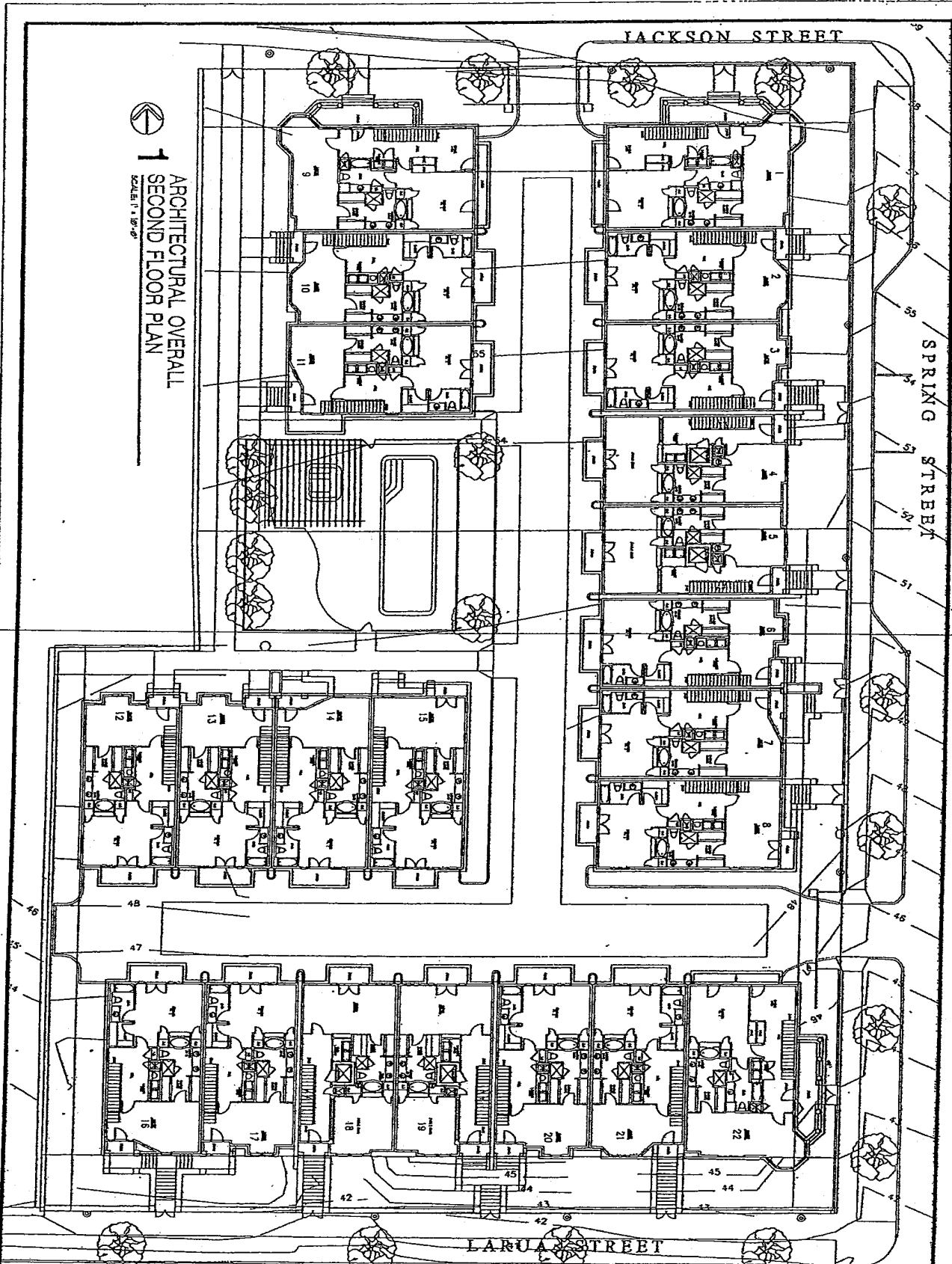
**GRAPHIC DESCRIPTION OF UNITS AND IMPROVEMENTS**

**THE COURT OF NORTH HILL, A CONDOMINIUM**

**1**

ARCHITECTURAL SITE PLAN  
& FIRST FLOOR PLAN

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




  
**1**
  
 ARCHITECTURAL OVERALL
   
 SECOND FLOOR PLAN
   
 SCALE: 1/8" = 1'-0"

ATTENTION:
   
 SCHEMATIC
   
 NOT FOR
   
 CONSTRUCTION

PROJECT:
   
 COURT OF
   
 NORTH HILL
   
 PHOENIX, ARIZONA

CITY OF PHOENIX
   
 DIVISION
   
 City Ordinance Dept.
   
 A.A.B.
   
 ARCHITECTS

100 West Grand Street
   
 Phoenix, Arizona 85003
   
 (602) 258-1234

ARCHITECT:
   
 A.A.B.
   
 100 West Grand Street
   
 Phoenix, Arizona 85003
   
 (602) 258-1234

PREPARED BY:
   
 PHOENIX ARCHITECTURAL
   
 FIRM

A.I.T.



REVISION:  
SCHEMATIC  
NOT FOR  
CONSTRUCTION

PROJECT:  
COURT OF  
NORTH HAVEN  
PENNSYLVANIA

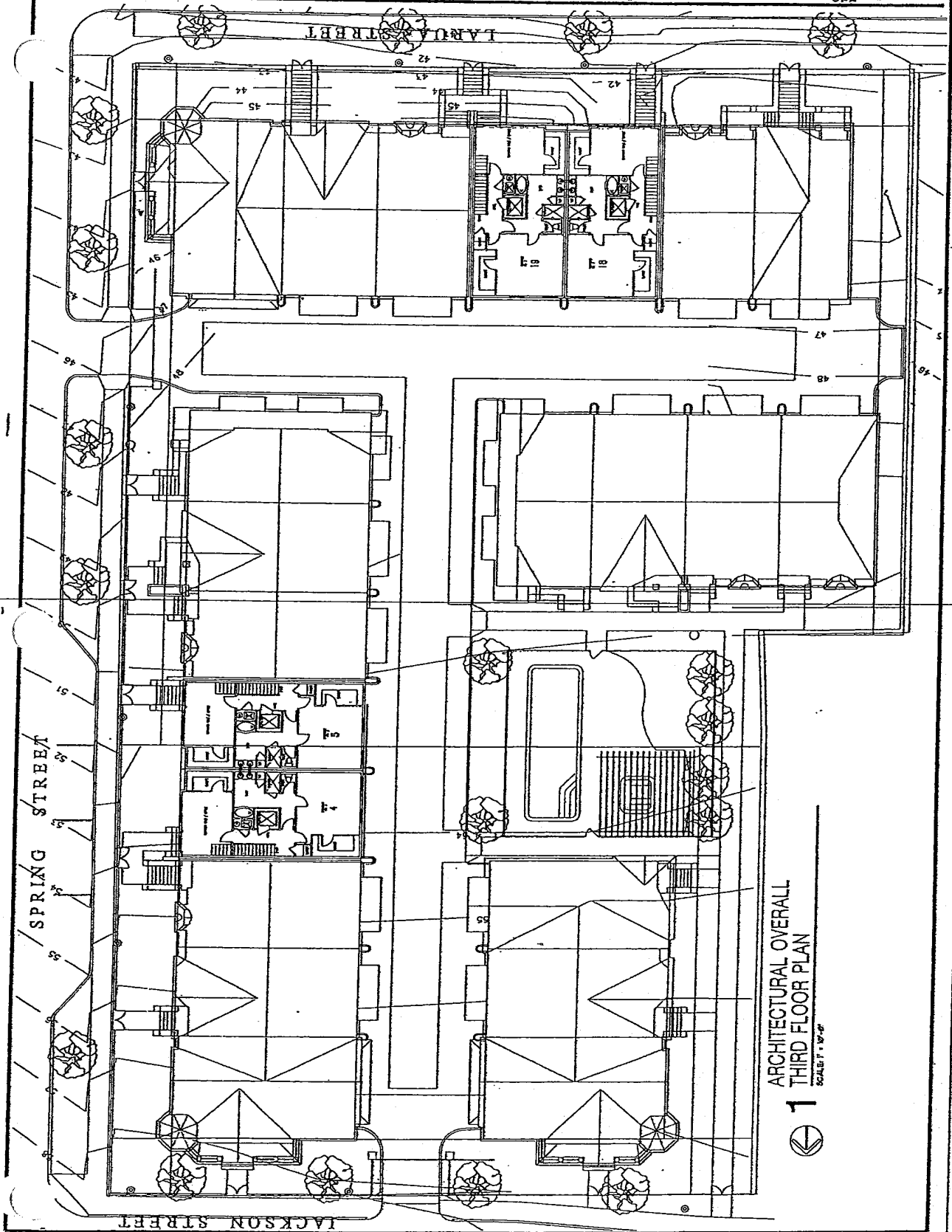
CITY OF PENNSYLVANIA  
OFFICE OF THE  
COUNTY ENGINEER  
HARRISBURG, PA 17104

ARCHITECTS:  
KIMLEY-HORN AND  
KNIGHTS, INC.  
1000 MARKET STREET, SUITE 100  
HARRISBURG, PA 17104

DATE: 12/15/06  
DRAWN BY: [unintelligible]  
CHECKED BY: [unintelligible]

UTRECHT  
TRAIL  
TRAIL

A1.2



ARCHITECTURAL OVERALL  
THIRD FLOOR PLAN  
SCALE: 1/8" = 1'-0"



REVISION:  
NO. DATE  
BY  
DESCRIPTION

CONSTRUCTION

PROJECT  
COURT OF  
NORTH HALL  
PROVINCETOWN

CITY OF PROVINCETOWN  
100 State Street  
Provencetown, MA 01909

ARCHITECTS  
420 West Broadway Street  
Provincetown, MA 01909

REGISTERED ARCHITECTS

REGISTERED ENGINEERS

REGISTERED PLUMBERS

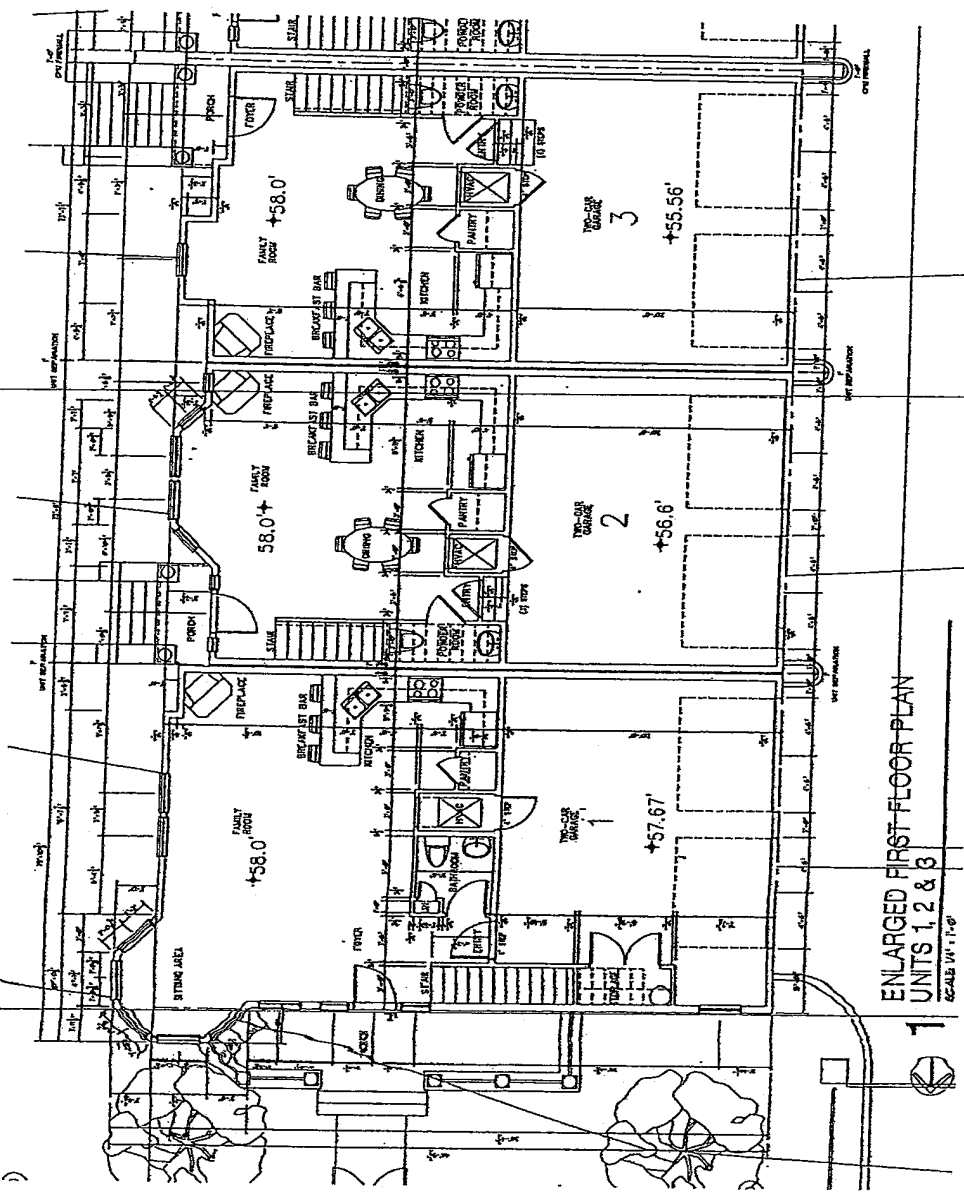
REGISTERED ELECTRICAL ENGINEERS

REGISTERED MECHANICAL ENGINEERS

REGISTERED CIVIL ENGINEERS

REGISTERED LANDSCAPE ARCHITECTS

A2.0



ENLARGED FIRST FLOOR PLAN  
UNITS 1, 2 & 3  
SCALE 1/4" = 1'-0"

DIVISION  
 OFFICE OF  
 ECONOMIC  
 DEVELOPMENT  
 CONSTRUCTION

PROJECT  
 COURT OF  
 NORTH HALL  
 PRINCETON, ILLINOIS

CITY OF PRINCETON  
 201 S. 11th St.  
 QUINCY, ILLINOIS 62450

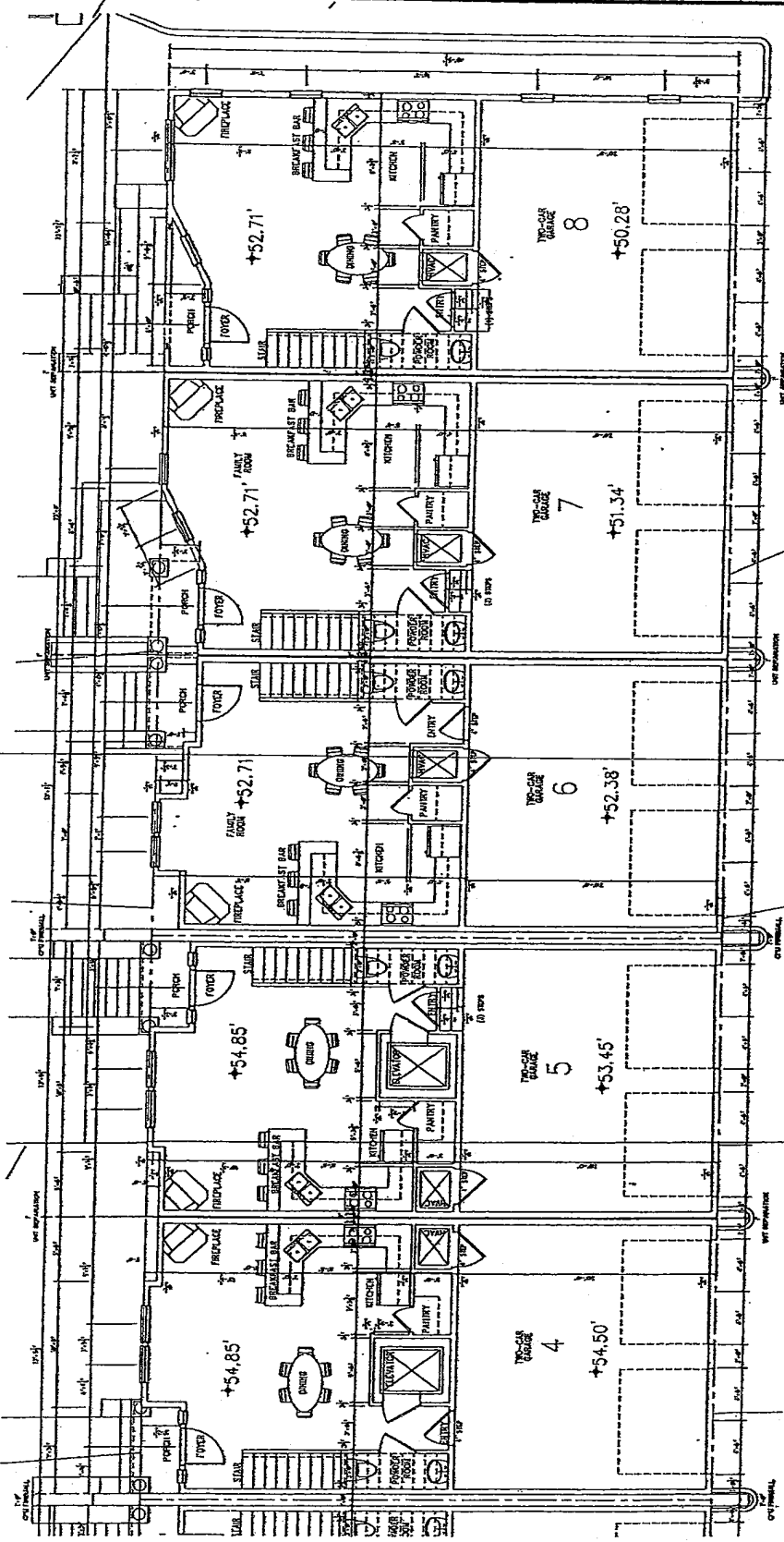
ARCHITECTS  
 400 West Jackson Street  
 CHICAGO, ILLINOIS 60606

ARCHITECT  
 ARCHITECTS  
 1000 N. Dearborn Street  
 CHICAGO, ILLINOIS 60610

FLOOR NO. 000-000  
 SLABS 000-000  
 BRACE 000-000

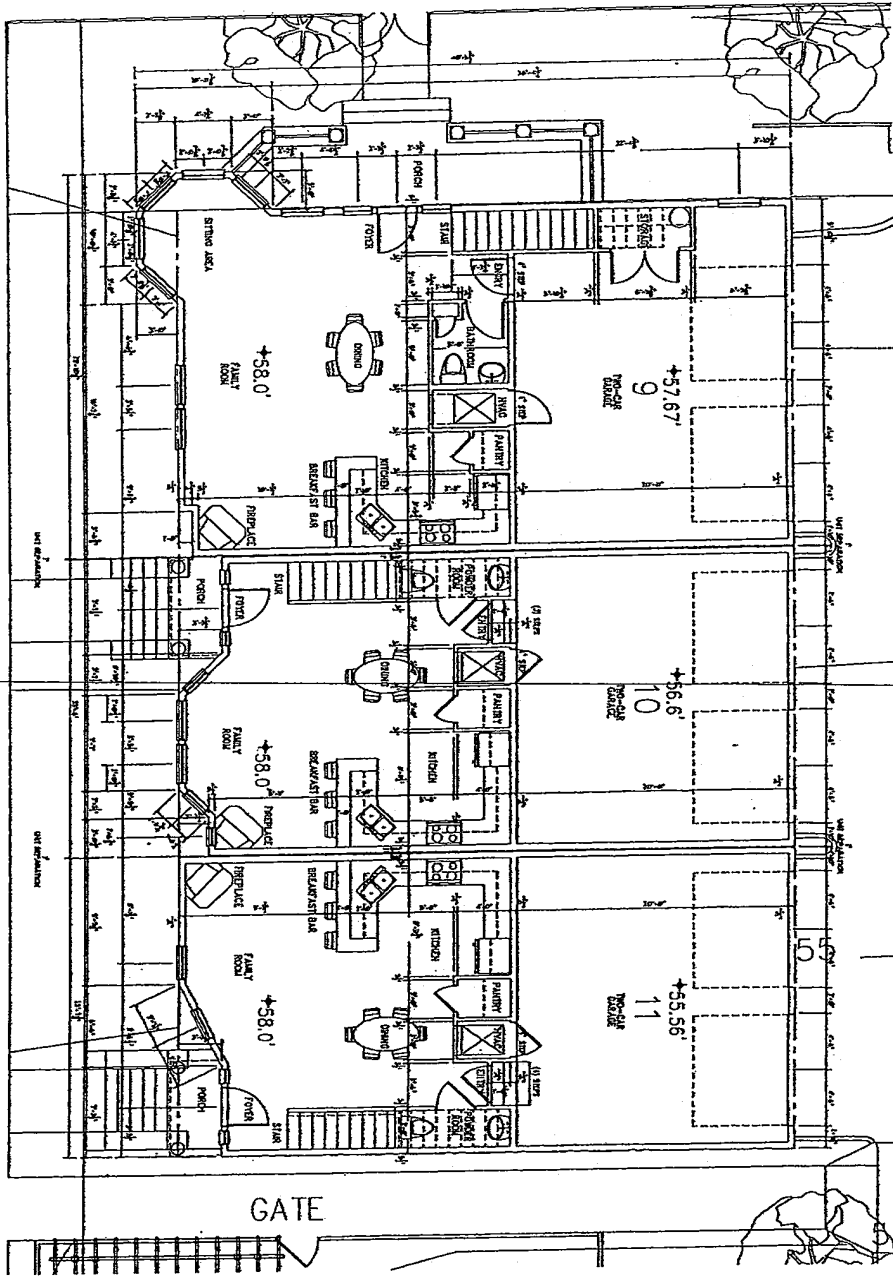
SPECIALS  
 SECOND FLOOR  
 PLAN

**A2.1**



ENLARGED FIRST FLOOR PLAN  
 UNITS 4, 5, 6, 7 & 8  
 SCALE: 1/4" = 1'-0"

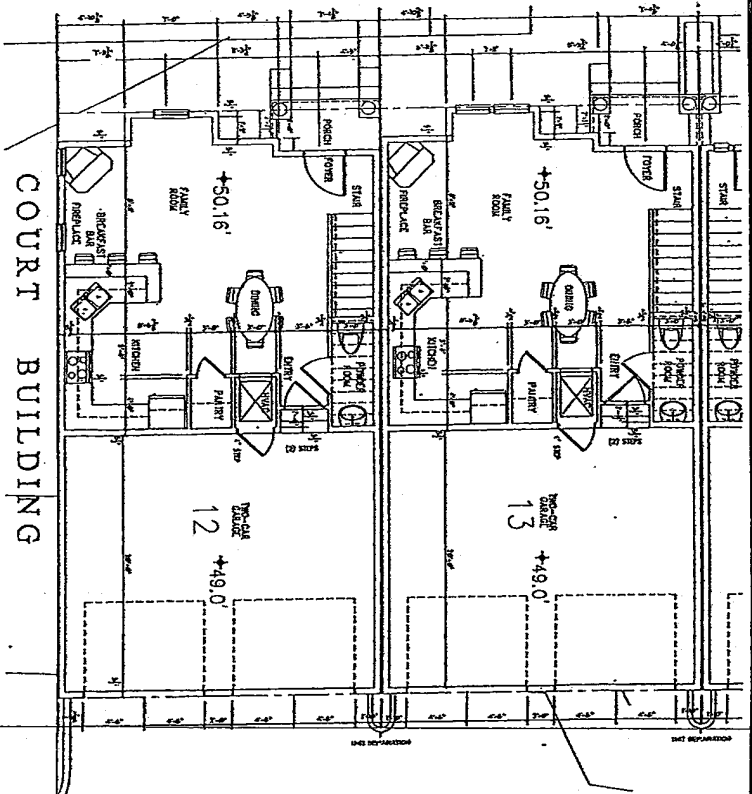




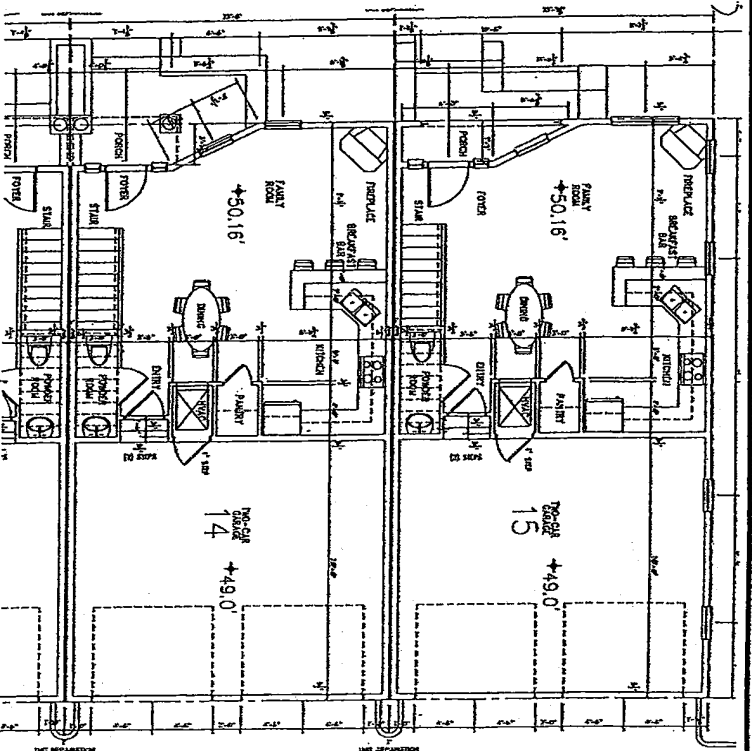
1 ENLARGED FIRST FLOOR PLAN  
UNITS 9, 10 & 11

SCALE: 1/4" = 1'-0"

7



1  
ENLARGED FIRST FLOOR PLAN  
UNITS 12 & 13  
SCALE: 1/8" = 1'-0"



2  
ENLARGED FIRST FLOOR PLAN  
UNITS 14 & 15  
SCALE: 1/8" = 1'-0"

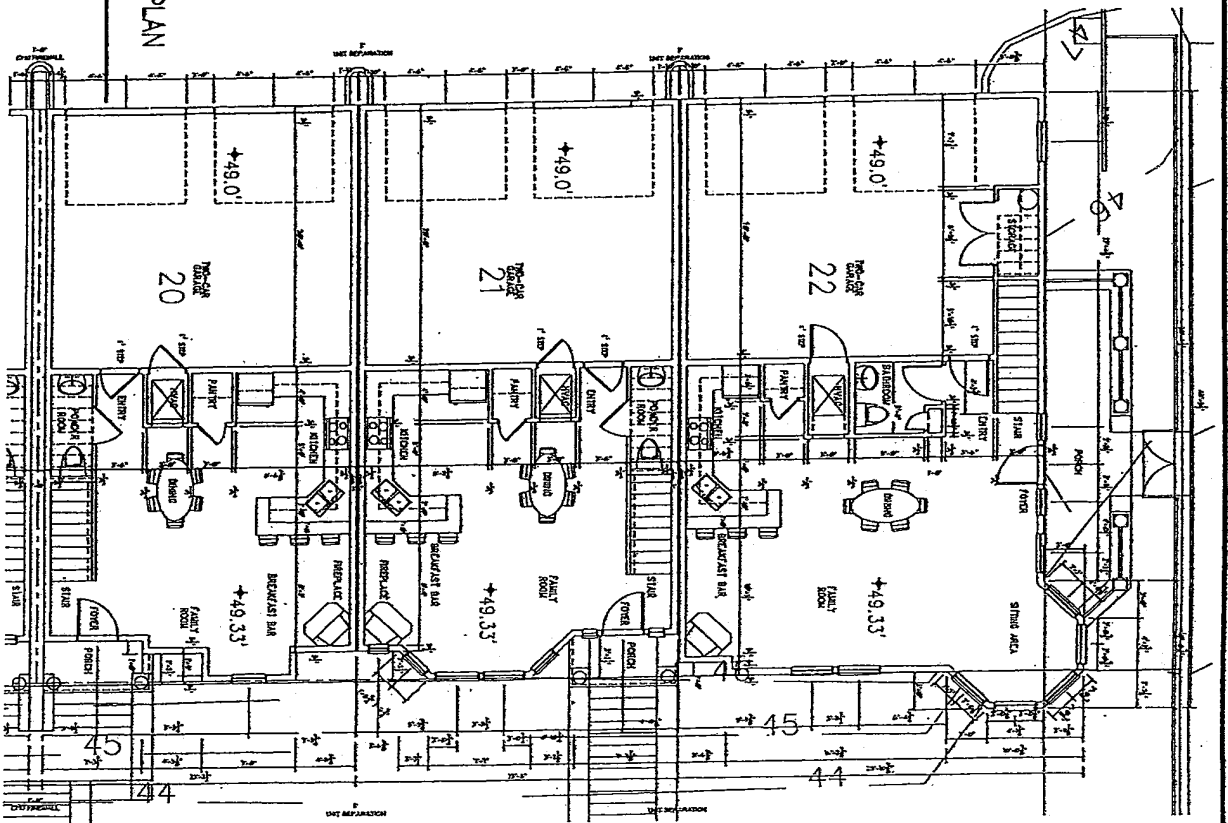
1. ALL INFORMATION NOT FOR CONSTRUCTION  
 2. COURT OF NORTH FALL  
 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 841. 842. 843. 844. 845. 846. 847. 848. 849. 850. 851. 852. 853. 854. 855. 856. 857. 858. 859. 860. 861. 862. 863. 864. 865. 866. 867. 868. 869. 870. 871. 872. 873. 874. 875. 876. 877. 878. 879. 880. 881. 882. 883. 884. 885. 886. 887. 888. 889. 890. 891. 892. 893. 894. 895. 896. 897. 898. 899. 900. 901. 902. 903. 904. 905. 906. 907. 908. 909. 910. 911. 912. 913. 914. 915. 916. 917. 918. 919. 920. 921. 922. 923. 924. 925. 926. 927. 928. 929. 930. 931. 932. 933. 934. 935. 936. 937. 938. 939. 940. 941. 942. 943. 944. 945. 946. 947. 948. 949. 950. 951. 952. 953. 954. 955. 956. 957. 958. 959. 960. 961. 962. 963. 964. 965. 966. 967. 968. 969. 970. 971. 972. 973. 974. 975. 976. 977. 978. 979. 980. 981. 982. 983. 984. 985. 986. 987. 988. 989. 990. 991. 992. 993. 994. 995. 996. 997. 998. 999. 1000.





1

ENLARGED FIRST FLOOR PLAN  
UNITS 20, 21 & 22  
SCALE: 1/8" = 1'-0"



A2

ORTHOGONAL  
GROUND FLOOR  
PLAN

DATE: 11/10/11  
SCALE: 1/8" = 1'-0"

PROJECT NO.: 11-11-11-11  
SHEET NO.: 11-11-11-11

ARCHITECT: [Logo]  
11-11-11-11

ENGINEER: [Logo]  
11-11-11-11

CONTRACTOR: [Logo]  
11-11-11-11

CITY OF PEACOCK  
D. J. I. D.  
11-11-11-11

COURT OF  
NORTH FLA.  
11-11-11-11

11-11-11-11  
11-11-11-11

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11-11-11-11

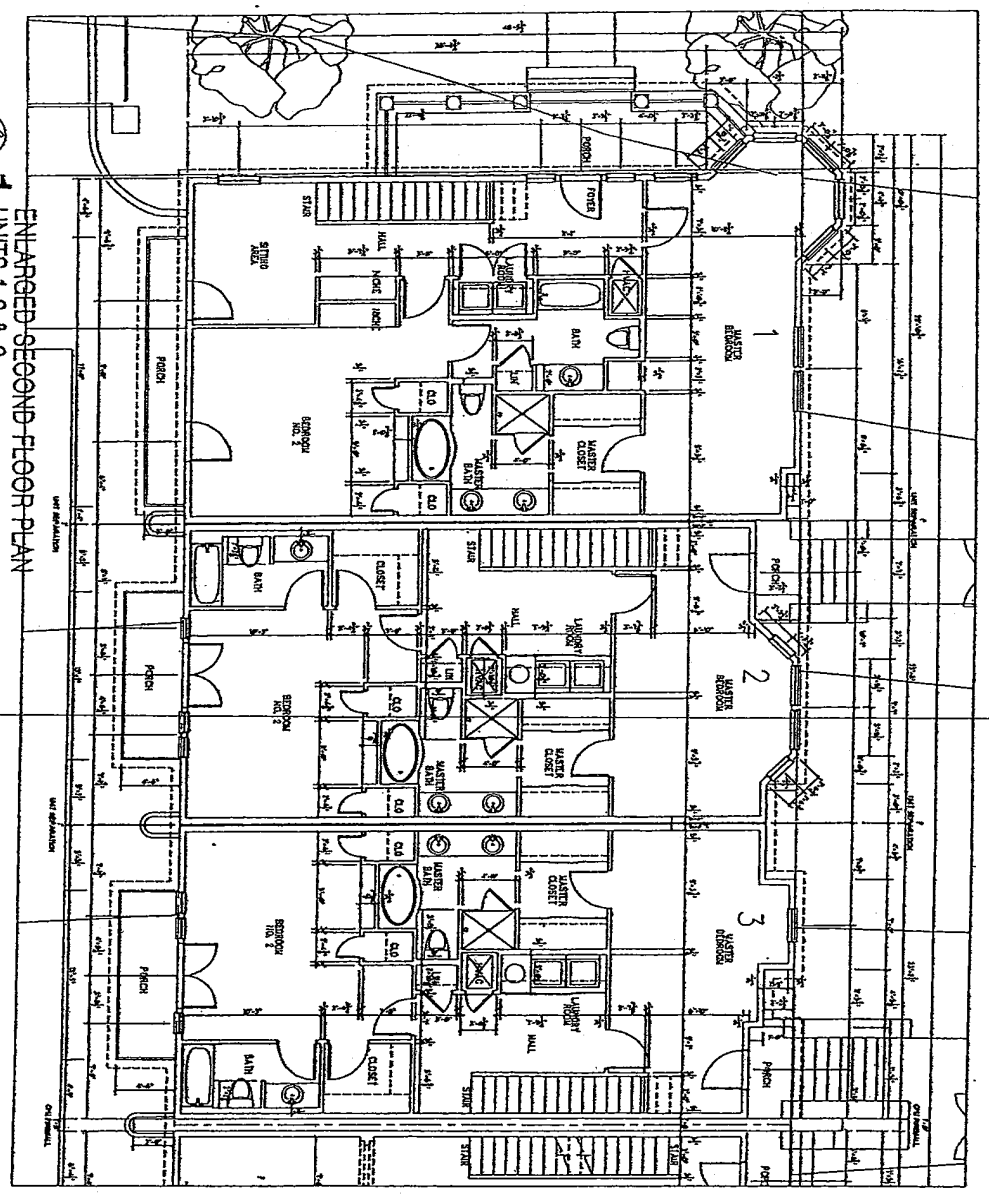
11-11-11-11  
11-11-11-11

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11-11-11-11

11-11-11-11  
11-11-11-11

NOT TO SCALE  
 ALL DIMENSIONS  
 UNLESS OTHERWISE  
 SPECIFIED  
 IN NOTES

**1**  
**ENLARGED SECOND FLOOR PLAN**  
**UNITS 1, 2 & 3**  
 SCALE: 1/4" = 1'-0"



A2.

UNIT 1  
 SECOND FLOOR  
 PLAN

DATE: 10/15/2010  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]

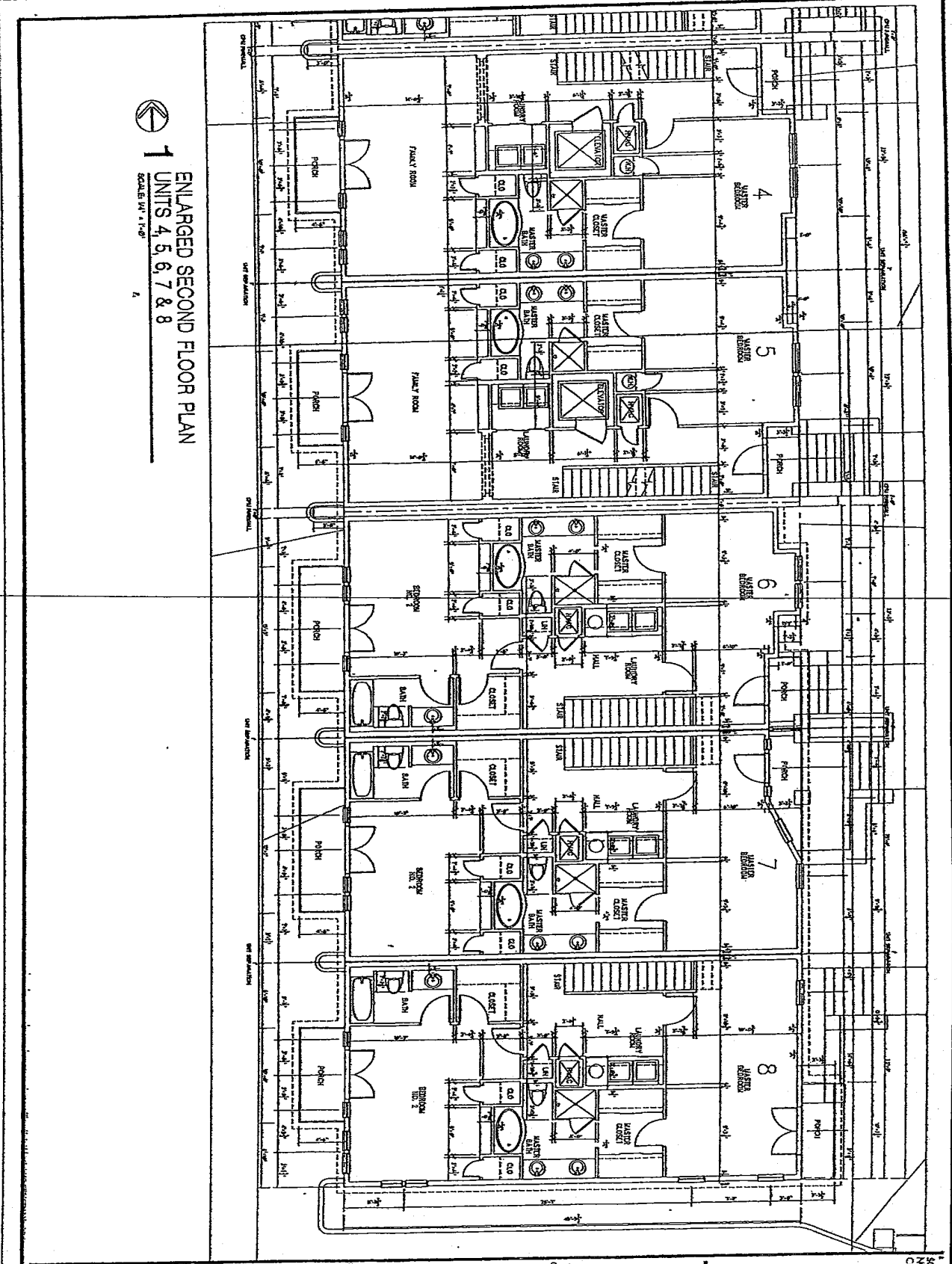
ARCHITECT  
 [Firm Name]  
 [Address]


CITY OF MEMPHIS  
 01310  
 JOHN G. QUINN  
 ALDERMANS  
 ALDERMANS

PROJECT  
 [Project Name]

THIS PLAN  
 IS FOR  
 CONSTRUCTION






  
**1** ENLARGED SECOND FLOOR PLAN
   
 UNITS 4, 5, 6, 7 & 8
   
 SCALE: 1/4" = 1'-0"

ALL DIMENSIONS  
 SHOWN  
 UNLESS  
 OTHERWISE  
 NOTED

PROJECT  
 COURT OF  
 NORTH HAVEN  
 MEDICAL CENTER

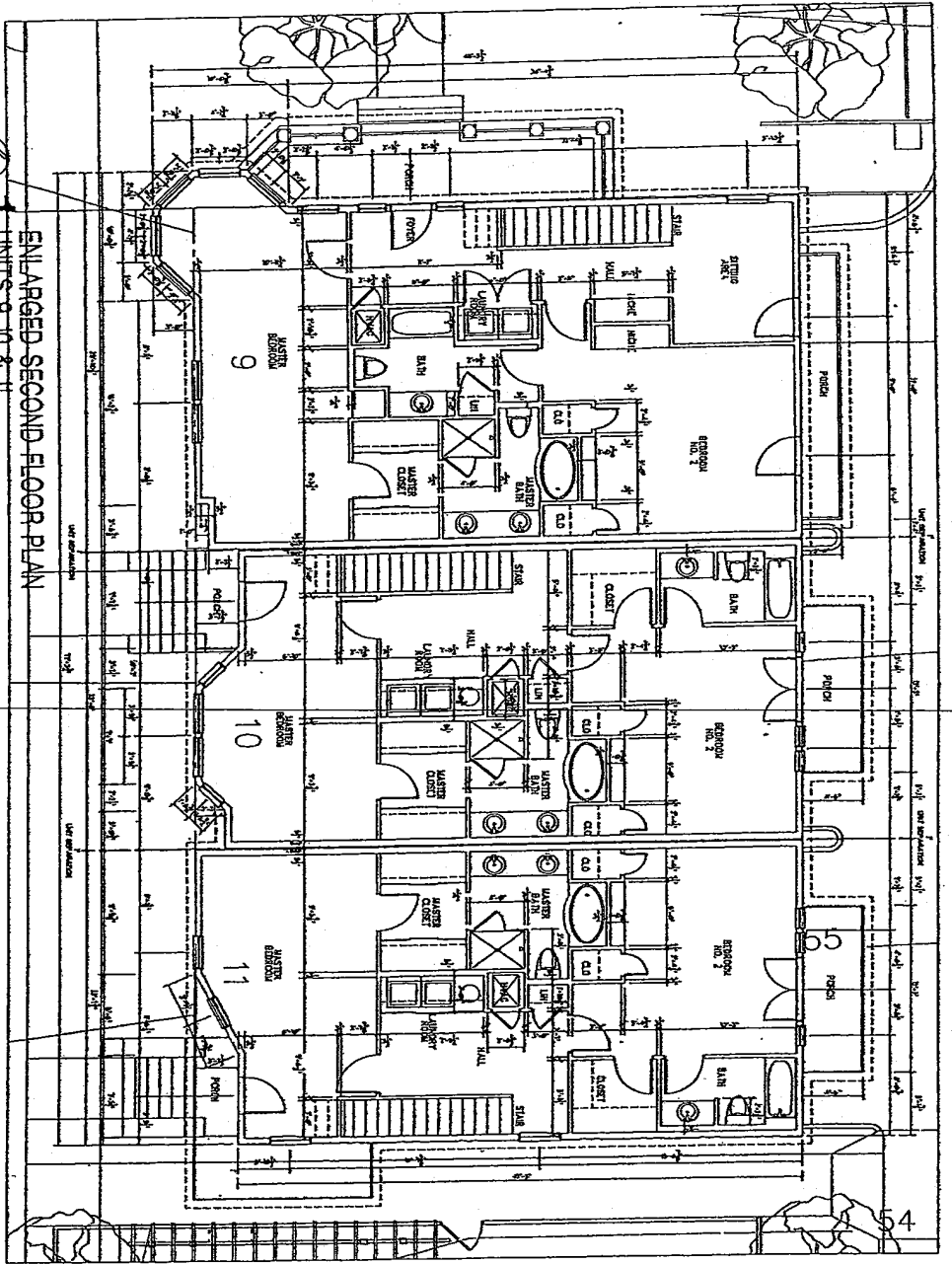
CITY OF BRIDGEPORT  
 DEPARTMENT OF  
 PUBLIC WORKS  
 ARCHITECTS

ARCHITECT  
 J. J. GRIFFIN  
 1000 W. 10TH ST.  
 BRIDGEPORT, CT 06610

CONTRACT NO. 100-100-100  
 DRAWING NO. 100-100-100  
 DATE: 10/10/10

**A2.7**

ENLARGED SECOND FLOOR PLAN  
UNITS 9, 10 & 11  
SCALE 1/4" = 1'-0"



A2.

OTTELLI  
ARCHITECTS

100 N. W. 10th St.  
Miami, Fla. 33136  
Tel. 375-1111  
Fax 375-1112

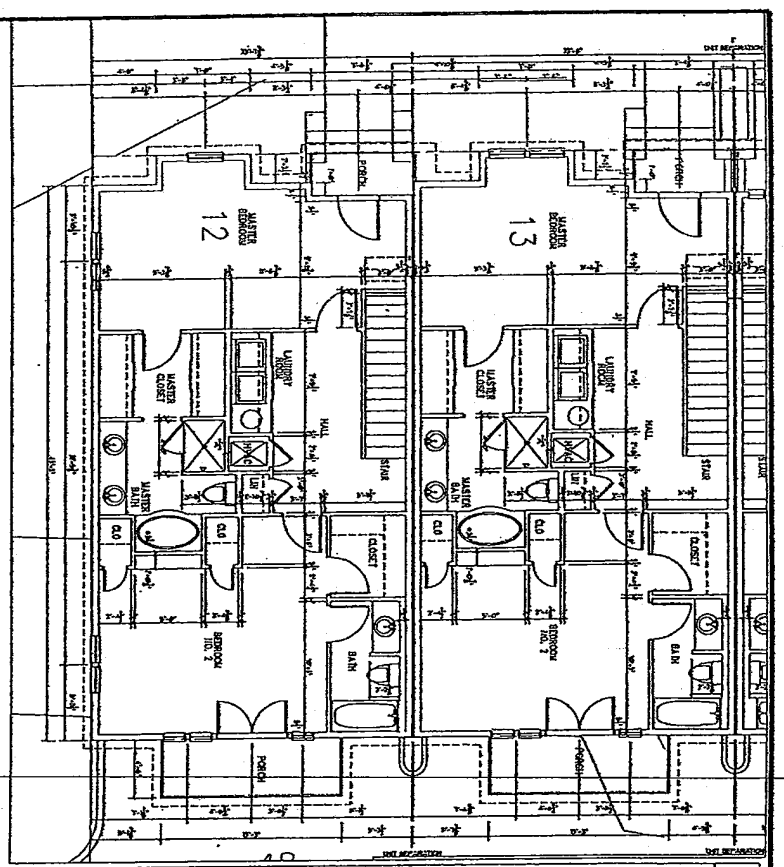
ATC  
ARCHITECTS

CITY OF MIAMI  
OFFICE OF THE  
CITY MANAGER  
ARCHITECT

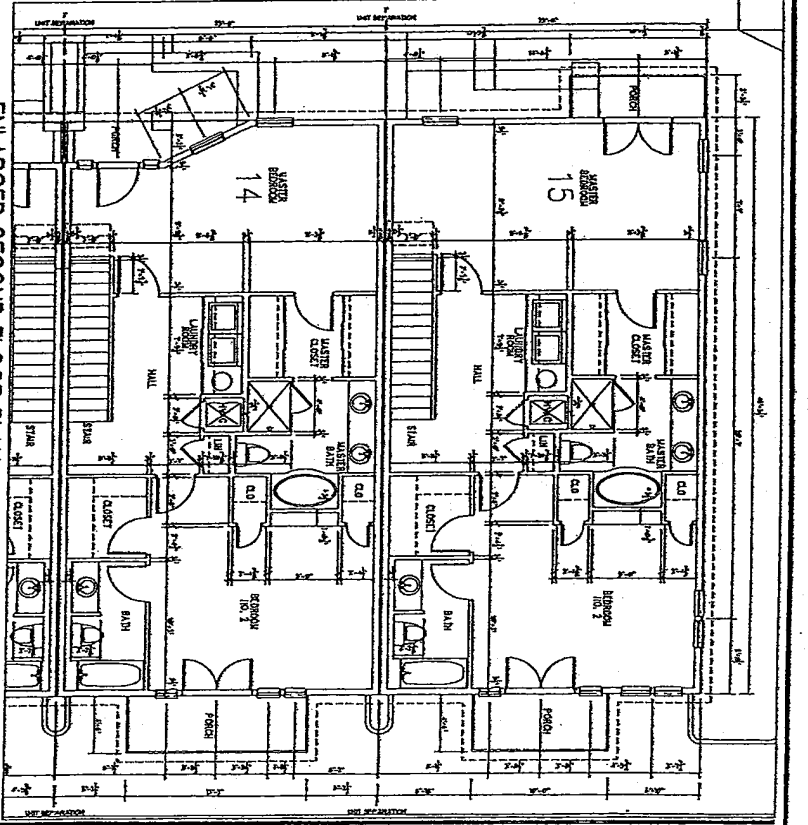
TRADING  
COAST OF  
NORTH HAVEN  
MAY 2000

ATTENTION  
SCHEMATIC  
NOT FOR  
CONSTRUCTION

1 ENLARGED SECOND FLOOR PLAN  
SCALE: 1/4" = 1'-0"



2 ENLARGED SECOND FLOOR PLAN  
SCALE: 1/4" = 1'-0"



11.11.11  
SCHEMATIC  
NOT FOR  
CONSTRUCTION

JAOTIC  
COUNT OF  
NORTH HILL  
MANAGEMENT

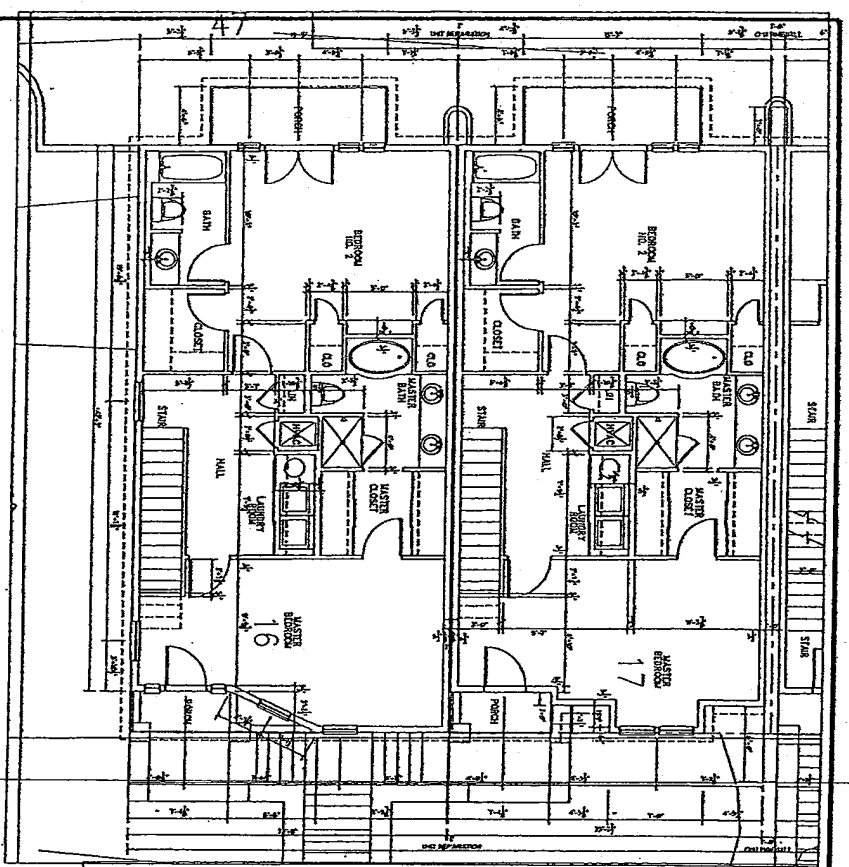
CITY OF DENVER  
D 1 1 1 1  
John O'Sullivan  
ARCHITECT

A & C HILL  
ARCHITECTS  
1400 17th St, Suite 1000  
Denver, CO 80202

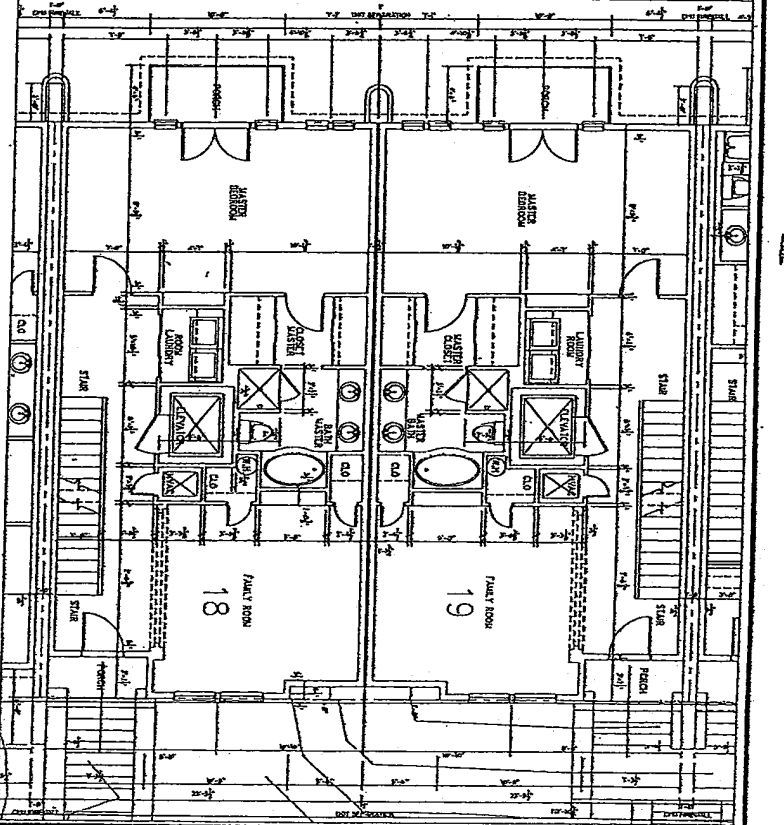
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BY: JAO  
CHECKED: JAO

PHOTO: 11.11.11  
SCALE: 1/4" = 1'-0"

A2.



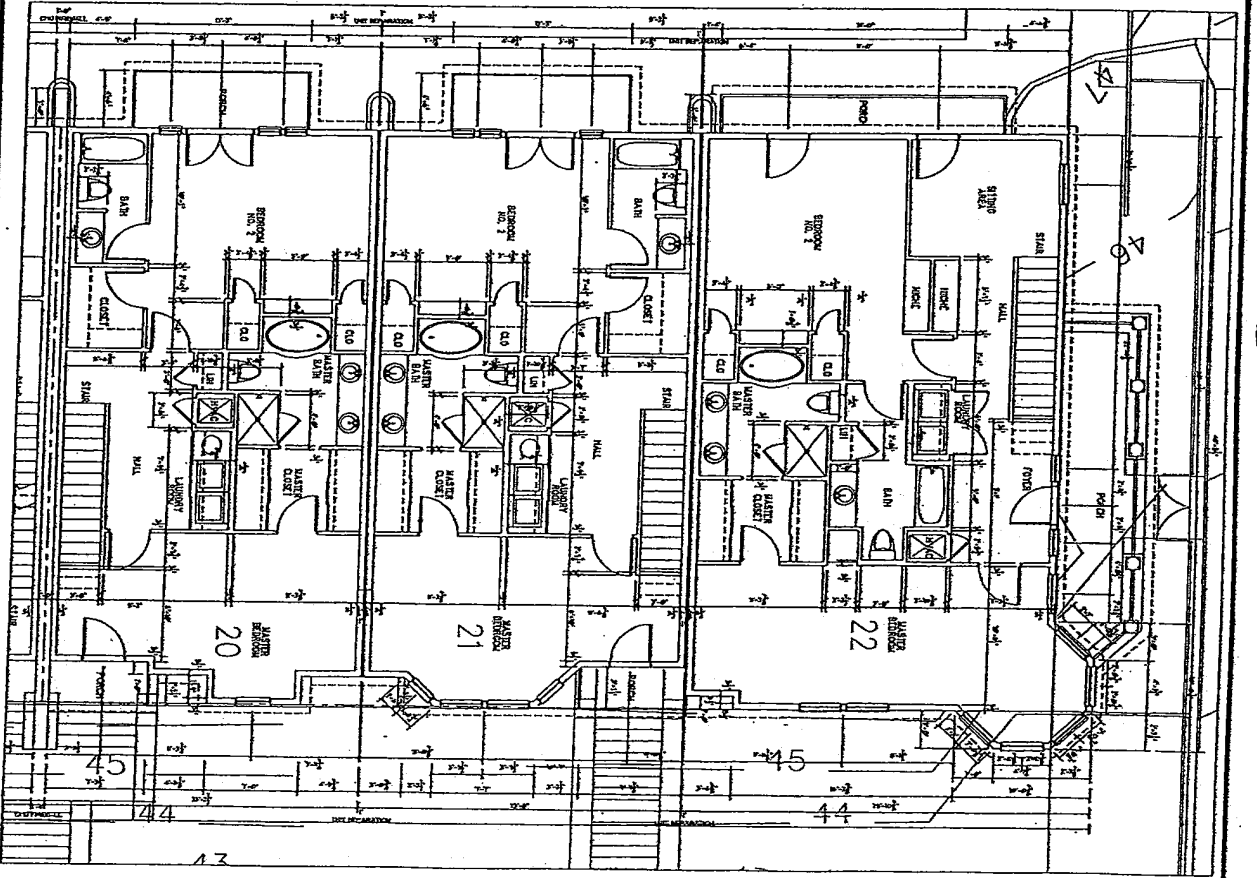
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SCALE 1/4" = 1'-0"



2 ENLARGED SECOND FLOOR PLAN  
SCALE 1/4" = 1'-0"



1 ENLARGED SECOND FLOOR PLAN  
UNITS 20, 21 & 22  
SCALE: 1/8" = 1'-0"



A2.1

DATE: 11/10/2004

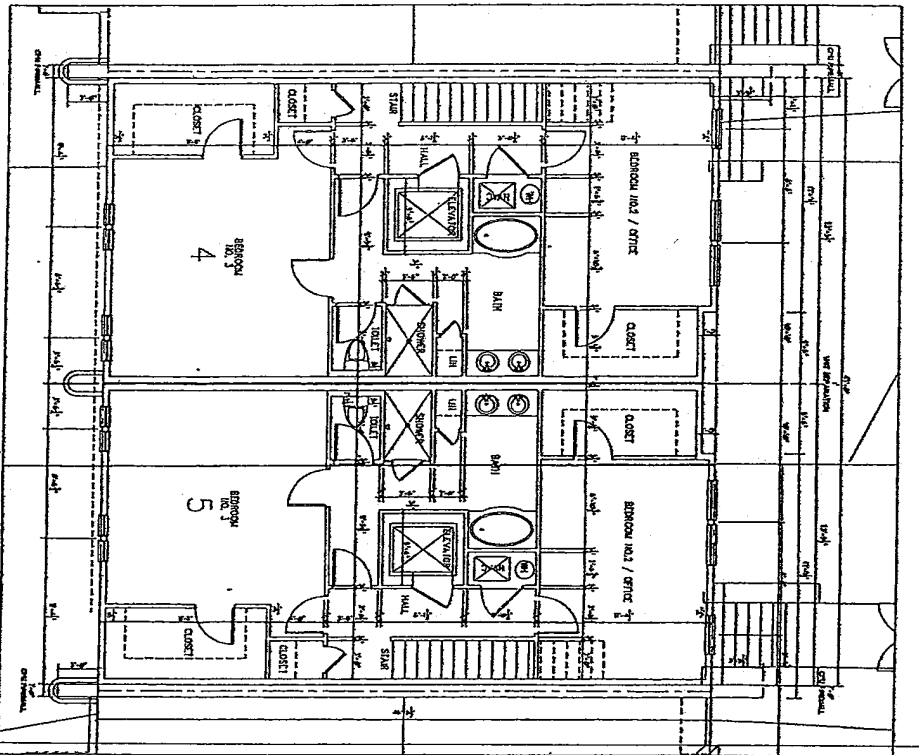
PROJECT: 2004  
SHEET: 2004  
SCALE: 1/8" = 1'-0"

ARCHITECT:  
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1111 G

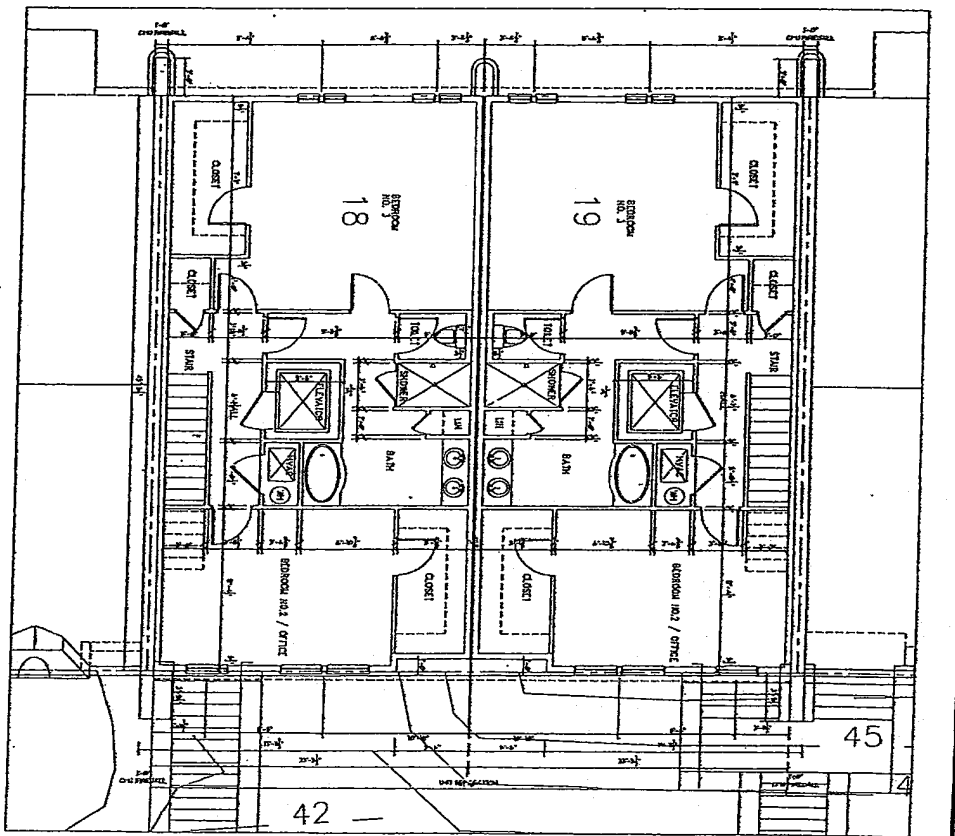
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1 ENLARGED THIRD FLOOR PLAN  
UNITS 4 & 5  
SCALE: 1/8" = 1'-0"



2 ENLARGED THIRD FLOOR PLAN  
UNITS 18 & 19  
SCALE: 1/8" = 1'-0"

ALLEGION  
SCHEAFER  
NOT FOR  
CONSTRUCTION

TALBOTT  
GOFF &  
NORTH, INC.  
ARCHITECTS

CITY OF BALTIMORE  
OFFICE OF  
THE CITY CLERK  
1100  
ARCHITECTS

Approved for Construction  
Permit No. 123456789  
Date: 10/26/2011

ALLEGION  
SCHEAFER  
NOT FOR  
CONSTRUCTION

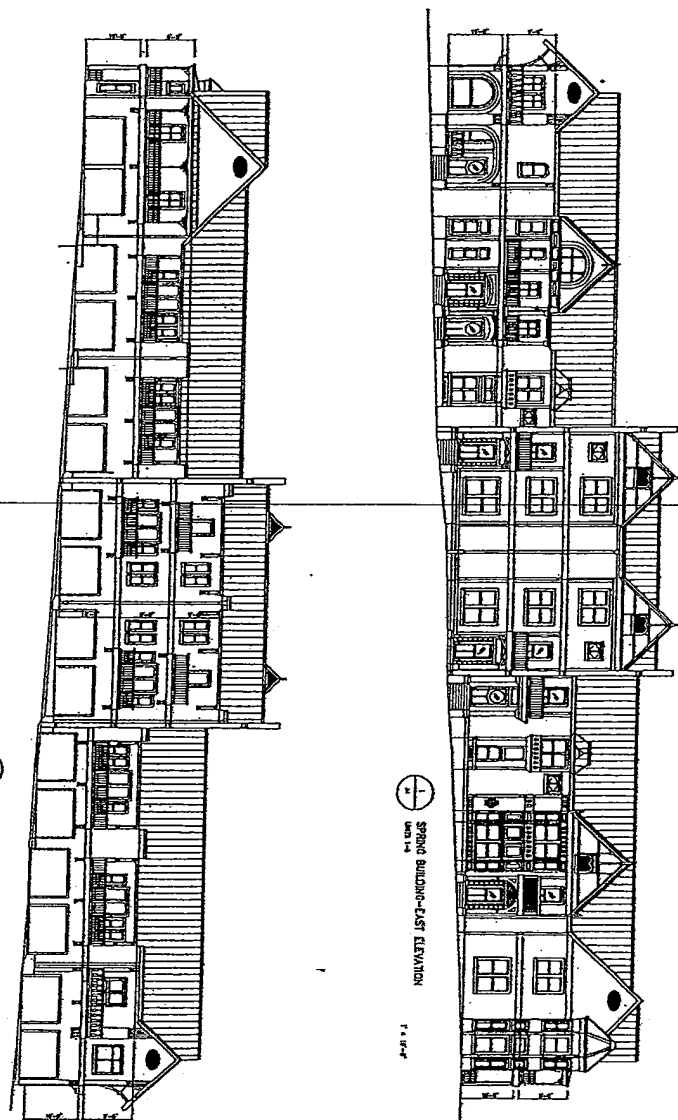
TALBOTT  
GOFF &  
NORTH, INC.  
ARCHITECTS

7500 N. WILSON  
STE. 1000  
BETHESDA, MD 20814

7500 N. WILSON  
STE. 1000  
BETHESDA, MD 20814

7500 N. WILSON  
STE. 1000  
BETHESDA, MD 20814

A4.0

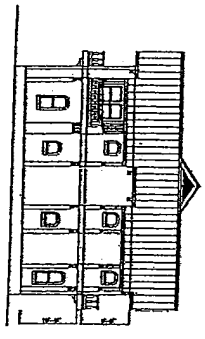
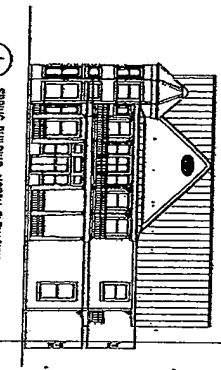


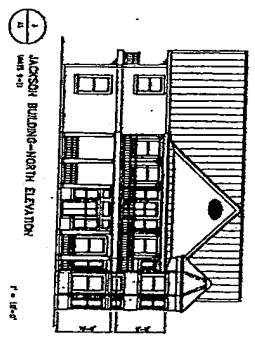
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1/4\"/>

Spring Building-West Elevation  
1/4\"/>

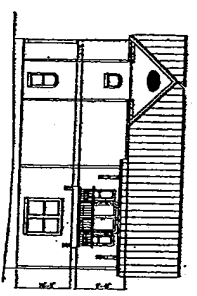
Spring Building-North Elevation  
1/4\"/>

Spring Building-South Elevation  
1/4\"/>

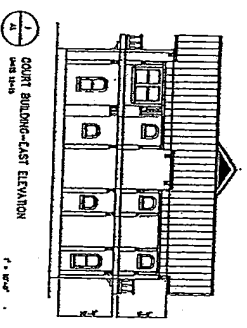




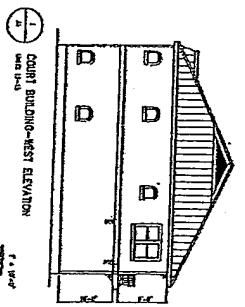
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 1/2" = 1'-0"



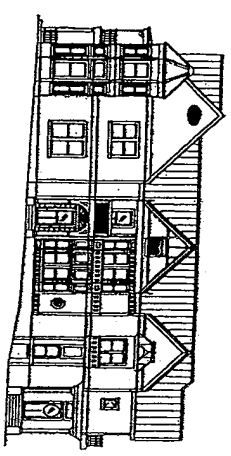
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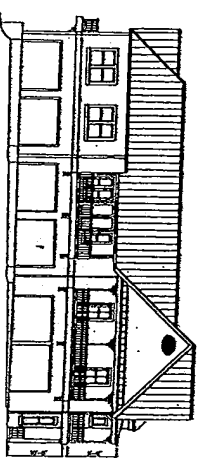
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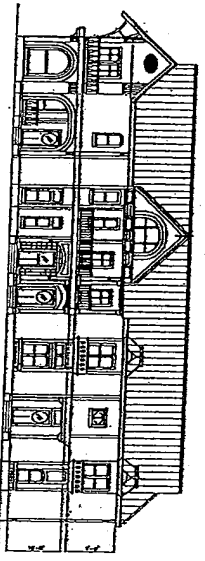
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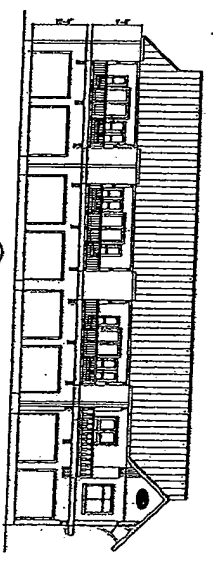
JACKSON BUILDING-WEST ELEVATION  
 1/2" = 1'-0"



JACKSON BUILDING-EAST ELEVATION  
 1/2" = 1'-0"



COURT BUILDING-NORTH ELEVATION  
 1/2" = 1'-0"



COURT BUILDING-SOUTH ELEVATION  
 1/2" = 1'-0"

ALL DRAWINGS  
 ARE FOR INFORMATION  
 ONLY AND NOT FOR  
 CONSTRUCTION

THE COURT  
 BUILDING  
 JACKSON, MISSISSIPPI

OFFICE OF ARCHITECTS  
 1111 BROADWAY  
 JACKSON, MISSISSIPPI

ARCHITECTS

ARCHITECTS

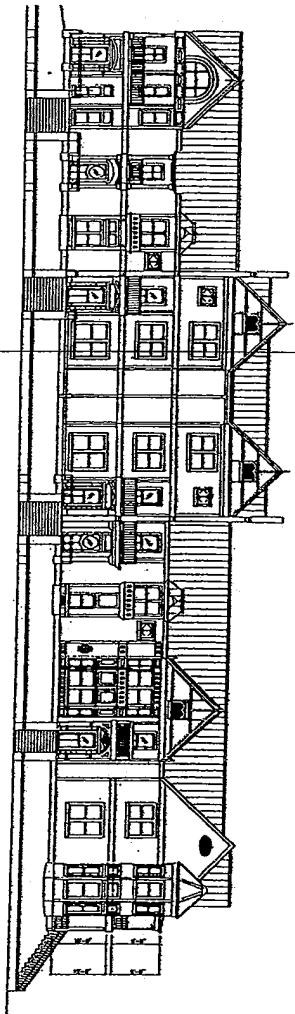
ARCHITECTS

ARCHITECTS

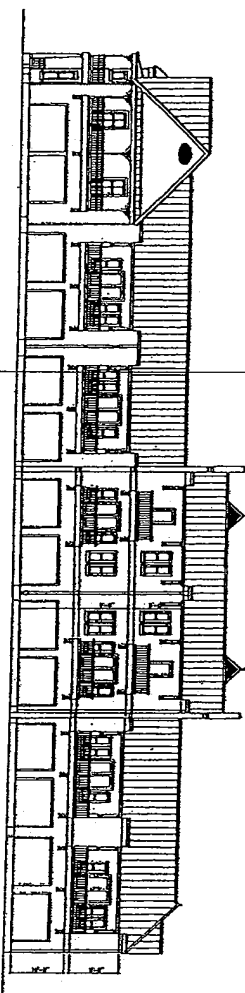
ARCHITECTS

ARCHITECTS

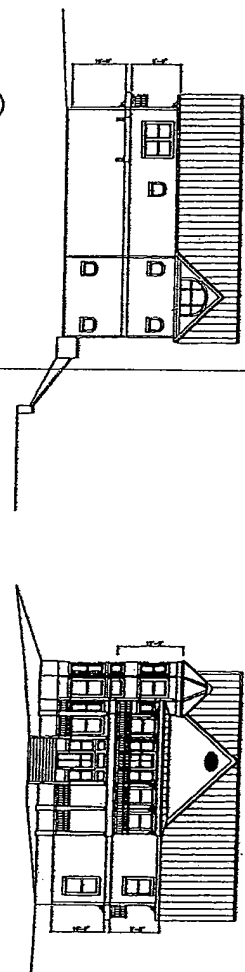




LABUA BUILDING-SOUTH ELEVATION  
1/4" = 1'-0"



LABUA BUILDING-NORTH ELEVATION  
1/4" = 1'-0"



LABUA BUILDING-EAST ELEVATION  
1/4" = 1'-0"

LABUA BUILDING-WEST ELEVATION  
1/4" = 1'-0"

PLANNING  
SOBANEK  
NOT FOR  
CONSTRUCTION

CITY OF PASADENA  
OFFICE OF  
COURT OF  
NORTH HILL  
PASADENA, CALIFORNIA

DATE OF PREPARATION  
DATE SUBMITTED  
PROJECT NAME  
PROJECT NUMBER

ARCHITECT  
ADDRESS  
PHONE  
FAX

DATE OF ISSUE  
DATE OF REVISION  
DATE OF REVISION  
DATE OF REVISION

DATE OF ISSUE  
DATE OF REVISION  
DATE OF REVISION  
DATE OF REVISION

A4.2

This instrument was prepared by:  
Charles S. Liberis, Esquire  
Liberis & Associates, P.A.  
40 South Palafox Pl, Suite 500  
Pensacola, FL 32502  
(850) 438-9647  
Our File No. 03-02-02

**EXHIBIT 3 - BYLAWS:**

|      |  |   |
|------|--|---|
| 1.   | IDENTITY .....                                 | 1 |
| 1.1  | Principal Office.....                          | 1 |
| 1.2  | Fiscal Year .....                              | 1 |
| 1.3  | Seal .....                                     | 1 |
| 2.   | DEFINITIONS.....                               | 1 |
| 3.   | MEMBERS.....                                   | 1 |
| 3.1  | Annual Meeting .....                           | 1 |
| 3.2  | Special Meetings.....                          | 1 |
| 3.3  | Notice of Meeting; Waiver of Notice .....      | 1 |
| 3.4  | Quorum .....                                   | 1 |
| 3.5  | Voting .....                                   | 1 |
|      | 3.5.1 Number of Votes.....                     | 1 |
|      | 3.5.2 Majority Vote.....                       | 1 |
|      | 3.5.3 Voting Member.....                       | 1 |
| 3.6  | Proxies .....                                  | 2 |
| 3.7  | Adjourned Meetings .....                       | 2 |
| 3.8  | Order of Business.....                         | 2 |
| 3.9  | Minutes of Meeting.....                        | 3 |
| 3.10 | Action Without a Meeting .....                 | 3 |
| 3.11 | Unit Owner Participation.....                  | 4 |
| 4.   | DIRECTORS .....                                | 4 |
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| 4.2  | Election of Directors.....                     | 4 |
| 4.3  | Vacancies and Removal.....                     | 4 |
| 4.4  | Term.....                                      | 6 |
| 4.5  | Organizational Meeting .....                   | 6 |
| 4.6  | Regular Meetings.....                          | 6 |
| 4.7  | Special Meetings.....                          | 6 |
| 4.8  | Waiver of Notice.....                          | 6 |
| 4.9  | Quorum .....                                   | 7 |
| 4.10 | Adjourned Meetings .....                       | 7 |
| 4.11 | Joinder in Meeting by Approval of Minutes..... | 7 |
| 4.12 | Presiding Officer.....                         | 7 |
| 4.13 | Order of Business.....                         | 7 |
| 4.14 | Minutes of Meetings .....                      | 7 |
| 4.15 | Executive Committee; Other Committees .....    | 8 |
| 4.16 | Proviso .....                                  | 8 |

|       |   |    |
|-------|---|----|
| 5.    | POWERS AND DUTIES .....                             | 10 |
| 6.    | OFFICERS.....                                       | 12 |
| 6.1   | Executive Officers .....                            | 12 |
| 6.2   | President .....                                     | 13 |
| 6.3   | Vice President.....                                 | 13 |
| 6.4   | Secretary .....                                     | 13 |
| 6.5   | Treasurer .....                                     | 13 |
| 6.6   | Other .....   | 13 |
| 6.7   | Developer Appointees.....                           | 13 |
| 7.    | COMPENSATION .....                                  | 13 |
| 8.    | RESIGNATIONS .....                                  | 13 |
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| 9.1.1 | Adoption by Board; Items.....                       | 13 |
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| (b)   | Special Membership Meeting .....                    | 14 |
| (c)   | Determination of Budget Amount .....                | 14 |
| (d)   | Proviso .....                                       | 14 |
| 9.1.2 | Adoption by Membership .....                        | 14 |
| 9.2   | Assessments .....                                   | 15 |
| 9.3   | Assessments for Emergencies.....                    | 15 |
| 9.4   | Late Assessments .....                              | 15 |
| 9.5   | Depository.....                                     | 15 |
| 9.6   | Acceleration of Installments Upon Default .....     | 15 |
| 9.7   | Enforcement of Assessments .....                    | 16 |
| 9.8   | Fidelity Bonds.....                                 | 16 |
| 9.9   | Accounting Records and Reports .....                | 16 |
| 9.10  | Application of Payment .....                        | 16 |
| 9.11  | Notice of Meetings.....                             | 16 |
| 10.   | ROSTER OF UNIT OWNERS.....                          | 17 |
| 11.   | PARLIAMENTARY RULES.....                            | 17 |
| 12.   | AMENDMENTS .....                                    | 17 |
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**EXHIBIT 3  
TO  
PROSPECTUS  
OF THE COURT OF NORTH HILL, A CONDOMINIUM**

**BYLAWS FOR DEVELOPER-CREATED ASSOCIATION OF  
THE COURT OF NORTH HILL CONDOMINIUM ASSOCIATION, INC.,  
A FLORIDA NOT-FOR PROFIT CORPORATION**

1. Identity. These are the Bylaws of The Court of North Hill Condominium Association, Inc. (the "Association"), a Florida not-for-profit corporation and organized for the purpose of administering that certain condominium located in Escambia County, Florida, and known as The Court of North Hill, a Condominium (the "Condominium").

1.1 Principal Office. The principal office of the Association shall be at 628 Bay Cliffs Road, Gulf Breeze, Florida 32561, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept in Escambia County, Florida, or at such other place within the state of Florida as may be permitted by the Condominium Act ("Act") from time to time.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida," the words "Not-For-Profit Corporation," and the year of incorporation.

2. Definitions. For convenience, these Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of the Association as the "Articles." The other terms used in these Bylaws shall have the same definitions and meanings as those set forth in the Declaration for the Condominium unless herein provided to the contrary or the context otherwise requires.

3. Members.

3.1 Annual Meeting. The annual members' meeting shall be held on the date, at the place, and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than 13 months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting sent to Unit Owners in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of December following the year in which the Declaration is filed, at such time, place, and date as the Board shall determine.

3.2 Special Meetings. Special members' meetings shall be held at such places as provided herein for annual meetings and may be called by the President or by a majority of the Board of Directors of the Association and must be called by the President or Secretary upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Special meetings may also be called by Unit Owners in the manner provided for in the Act, including, but not limited to, the following: (i) a special meeting of the Unit

Owners for purposes of recalling a member or members of the Board of Directors in accordance with F.S. 718.112(2)(j) and (ii) such special meeting of Unit Owners as set forth in Article 9 of these Bylaws.

3.3 Notice of Meeting; Waiver of Notice. Notice of a meeting of members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on the Condominium Property at least 14 continuous days prior to the annual meeting. The notice of the annual meeting shall also be sent by mail or hand delivered to each Unit Owner unless the Unit Owner waives in writing the right to receive notice of the annual meeting by mail or hand delivery. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The posting and mailing of the notice shall be effected not less than 14 days nor more than 60 days prior to the date of the meeting. Proof of posting shall be given by affidavit, and proof of mailing of the notice shall be given by affidavit or the retention of a post office certificate of mailing.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting except when his or her (or the authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

An Officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section and F.S. 718.112(2)(d)2, to each Unit Owner at the address last furnished to the Association. No other proof of notice of a meeting shall be required.

3.4 Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast in excess of a majority of the votes of members.

3.5 Voting.

3.5.1 Number of Votes. Except as provided in Section 3.10 hereof, in any meeting of members, the Owners of Units shall be entitled to cast one vote for each Unit owned. The vote of a Unit shall not be divisible.

3.5.2 Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been present shall be binding upon all Unit Owners for all purposes except where otherwise provided by law, the Declaration, the Articles, or these Bylaws. As used in these Bylaws, the Articles, or the Declaration, the terms "majority of the Unit Owners" and "majority of the members" shall mean a majority of the members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Unit Owners at which a quorum shall have been attained. Similarly, if some greater percentage of members is required

herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of members and not of the members themselves.

3.5.3 Voting Member. If a Unit is owned by one person, the right to vote shall be established by the roster of members. If a Unit is owned by more than one person, those persons (including husbands and wives) shall decide among themselves who shall cast the vote of the Unit. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Unit shall be presumed to have the authority to do so unless the President or the Board of Directors is otherwise notified. 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 an appropriate Officer of the corporation and filed with the Secretary of the Association. Such person need not be a Unit Owner. Those certificates shall be valid until revoked or superseded by a subsequent certificate or until a change occurs in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote for a Unit may be revoked by any record Owner of an undivided interest in the Unit. If a certificate designating the person entitled to cast the vote for a Unit for which that certificate is required is not on file or has been revoked, the vote attributable to that Unit shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed.

3.6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote but shall be valid only for the specific meeting for which originally given and any lawful adjourned meetings thereof. All proxies must be filed with the Secretary before the appointed time of each meeting and such proxy shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for a period longer than 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 person executing it. A proxy must be in writing, be signed by the person authorized to cast the vote for the Unit (as described in Section 3.5), name the person(s) voting by proxy and the person authorized to vote for such person(s), and be filed with the Secretary of the Association before the time to which the meeting is adjourned. Each proxy shall contain the date, time, and place of the meeting for which it is given and, if a limited proxy, shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast. Holders of proxies need not be Unit Owners. Notwithstanding the foregoing, no proxy, limited or general, shall be used in the election of Board members, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise.

Except as specifically otherwise provided, Unit Owners may not vote by general proxy, but may vote by limited proxies in the form adopted by the Division of Florida Land Sales, Condominiums, and Mobile Homes (the "Division"). Limited proxies and general proxies may be used to establish a quorum. Limited proxies must be used for votes taken to waive or reduce reserves, to waive financial reporting requirements, to amend the Condominium documents, and for any other matter for which F.S. Chapter 718 requires or permits a vote of the Unit Owners. No proxy, limited or general, may be used in the election of Board members. General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given.

3.7 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, 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 notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

3.8 Order of Business. If a quorum has been attained, the order of business at annual members' meetings, and, if applicable, at other members' meetings, shall be:

- 3.8.1 Call to order by President;
- 3.8.2 Appointment by the President of a chair of the meeting (who need not be a member or a Director);
- 3.8.3 Election of Directors;
- 3.8.4 Proof of notice of the meeting or waiver of notice;
- 3.8.5 Reading of minutes;
- 3.8.6 Reports of Officers;
- 3.8.7 Reports of committees;
- 3.8.8 Unfinished business;
- 3.8.9 New business;
- 3.8.10 Adjournment.

Such order may be waived in whole or in part by direction of the chair.

3.9 Minutes of Meeting. The minutes of all meetings of Unit Owners shall be kept in a book available for inspection by Unit Owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

3.10 Action Without a Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members, or any action that may be taken at any annual or special meeting of such members, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of members at which a quorum of members (or authorized persons) entitled to vote thereon were present and voted. Within 10 days after obtaining such authorization by written consent, notice must be

given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

3.11 Unit Owner Participation. Unit Owners shall have the right to participate in meetings of Unit Owners with reference to all designated agenda items. However, the Association may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner participation. Any Unit Owner may tape record or videotape a meeting of the Unit Owners subject to reasonable rules adopted by the Division.

4. Directors.

4.1 Membership. The affairs of the Association shall be governed by a Board of not less than three nor more than five Directors, the exact number to be determined in the first instance in the Articles, and, thereafter, except as provided herein, from time to time upon majority vote of the membership, provided, however, that the number of Directors shall always be an odd number. During Developer control, Directors need not be Unit Owners; provided, however, upon turnover, each Director, other than any Developer appointed or elected Director, shall be a Unit Owner.

4.2 Election of Directors. The election of Directors shall be conducted in the following manner:

4.2.1 Election of Directors shall be held at the annual members' meeting except as provided herein to the contrary.

4.2.2 Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each Unit Owner entitled to a vote, a first notice of the date of the election. Any Unit Owner or other eligible person desiring to be a candidate for the board of administration shall give written notice to the Association not less than 40 days before a scheduled election. The Association shall then mail or deliver a second notice of the meeting at least 14 days prior to the meeting, which notice must include an agenda, to all Unit Owners entitled to vote therein, together with a written ballot that shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 1/2 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association.

4.2.3 The election shall be by written ballot or voting machine and by a plurality of the votes cast, each person voting being entitled to cast his or her vote for each of as many nominees as there are vacancies to be filled. The entire membership shall vote for all of the Directors. No Unit Owner shall permit another person to cast his or her ballot and any such ballots improperly cast shall be deemed invalid except for a Unit Owner who needs assistance in voting due to blindness, disability, or inability to read or write.

4.2.4 There shall be no quorum requirement or minimum number of votes necessary for election of Board of Directors. However, at least 20% of the eligible voters must cast a ballot in order for the election to be valid.



4.2.5 No nominating committees, no slates of Directors, no nominations from the floor, and no write-in candidates are permitted. Any Unit Owner who indicates an interest in running must be placed on the ballot. Election and balloting are not required unless more candidates file notices of intent to run or are nominated than there are vacancies on the Board.

4.3 Vacancies and Removal.

4.3.1 Except as to vacancies resulting from removal of Directors by members, vacancies on the Board of Directors occurring between annual meetings of members shall be filled by the affirmative vote of the remaining Board of Directors, even if the remaining Directors constitute less than a quorum, provided that all vacancies in Directorships to which Directors were appointed by the Developer under the provisions of section 4.16 hereof shall be filled by the Developer without the necessity of any meeting.

4.3.2 Any Director elected by the members (other than the Developer) may be removed by concurrence of a majority of the votes of all the voting interests at a special meeting of members called for that purpose, which meeting may be called by 10% of the voting interests, giving notice of the meeting as required for a meeting of Unit Owners, and stating the purpose of the meeting, or by written agreement signed by a majority of the Owners of all Units.

If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective as provided herein. The Board shall duly notice and hold a board meeting within five full business days of the adjournment of the Unit Owner meeting to recall one or more board members. At the meeting, the Board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within five full business days any and all records and property of the Association in their possession, or shall proceed as set forth below.

If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by F.S. Chapter 48 and the Florida Rules of Civil Procedure. The Board shall duly notice and hold a meeting of the Board within five full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately, and shall turn over to the Board within five full business days any and all records and property of the Association in their possession, or proceed as described below.

If the Board determines not to certify the written agreement to recall a member or members of the Board, or does not certify the recall by a vote at a meeting, the Board shall, within five full business days after the meeting, file with the Division a petition for binding arbitration under the procedures in F.S. 718.1255. For the purposes of this section, the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action under F.S. 718.501. Any member or members so recalled shall deliver to the Board any and all records of the Association in their possession within five full business days of the effective date of the recall.

If the Board fails to duly notice and hold a Board meeting within five full business days of service of an agreement in writing or within five full business days of the adjournment of the Unit Owner recall meeting, the recall shall be deemed effective and the Board members so recalled shall immediately turn over to the Board any and all records and property of the Association.

If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining Directors, notwithstanding any provision to the contrary contained in Section 4.2 herein. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division.

4.3.3 Anything to the contrary herein notwithstanding, until a majority of the Directors are elected by the members other than the Developer of the Condominium, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Developer, shall be subject to removal by members other than the Developer. The first Directors and Directors replacing them may be removed and replaced by the Developer without the necessity of any meeting. (See Section 4.16 below.)

4.3.4 If a vacancy on the Board of Directors results in the inability to obtain a quorum of Directors in accordance with these Bylaws, any Owner may apply to the Circuit Court within whose jurisdiction the Condominium lies for the appointment of a receiver to manage the affairs of the Association. At least 30 days prior to applying to the Circuit Court, the Unit Owner shall mail to the Association and post in a conspicuous place on the Condominium Property a notice describing the intended action and giving the Association an opportunity to fill the vacancy or vacancies in accordance with these Bylaws. If, during such time, the Association fails to fill the vacancy or vacancies, the Unit Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors and shall serve until the Association fills the vacancy or vacancies on the Board sufficient to constitute a quorum in accordance with these Bylaws.

4.4 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the members and subsequently until his or her successor is duly elected and has taken office, or until he or she is removed in the manner provided in section 4.3.

4.5 Organizational Meeting. The organizational meeting of newly elected or appointed Directors shall be held within 10 days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed. Notice of the organizational meeting shall be as required for regular meetings of the Board of Directors.

4.6 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 48 hours prior to the meeting. Regular meetings of the Board of Directors shall be open to all Unit Owners and notice of such meetings shall be posted conspicuously on the Condominium Property at least 48 continuous hours in advance for the attention of the members of the Association except in the event of

an emergency. Unit Owners shall have the right to attend and the right to speak with reference to all designated agenda items. The Board may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements. Unit Owners may tape record or videotape meetings of the Board subject to rules adopted by the Division. Directors may not vote by proxy or by secret ballot at Board meetings. A vote or abstention for each Director present shall be recorded in the minutes.

4.7 Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of one third of the Directors. For so long as the Developer is in control of the Association, special meetings of the Directors may be called by the Developer. 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 48 hours prior to the meeting. Special meetings of the Board of Directors shall be open to all Unit Owners, and notice of such meetings shall be posted conspicuously on the Condominium Property at least 48 continuous hours in advance for the attention of the members of the Association except in the event of an emergency, and Unit Owners shall have a reasonable right to participate. The Board may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements. Unit Owners may tape record or videotape meetings of the Board. Directors may not vote by proxy or secret ballot at Board Meetings. A vote or abstention for each Director present shall be recorded in the Minutes.

Notwithstanding the foregoing, written notice of any meeting at which non-emergency special assessments, or at which an amendment to Rules regarding Unit use, will be considered shall be mailed or delivered to the Unit Owners and posted conspicuously on the Condominium Property not less than 14 days prior to the meeting.

4.8 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by the Director of notice. Attendance by any Director at a meeting except when his or her attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called, shall be deemed equivalent to the due receipt by that Director of notice.

4.9 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 except when approval by a greater number of Directors is specifically required by the Declaration, the Articles, or these Bylaws.

Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee are present shall be open to all Unit Owners. The right to attend such meetings includes the right to speak with reference to all designated agenda items; provided, however, the Association may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements.

4.10 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any

newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

4.11 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 approval of that Director of the business conducted at the meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.

A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A vote or abstention for each Director present shall be recorded in the minutes. Directors may not vote by proxy.

4.12 Presiding Officer. The presiding Officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).

4.13 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:

- 4.13.1 Roll call;
- 4.13.2 Proof of due notice of meeting;
- 4.13.3 Reading and disposal of any unapproved minutes;
- 4.13.4 Reports of Officers and committees;
- 4.13.5 Election of Officers;
- 4.13.6 Unfinished business;
- 4.13.7 New Business;
- 4.13.8 Adjournment.

Such order may be waived in whole or in part by direction of the presiding Officer.

4.14 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

4.15 Executive Committee; Other Committees. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three or more members of the Board. This Executive Committee shall have and may exercise all of the powers of the Board in management of the business and affairs of the Condominium during the period between the meetings of the Board insofar as may be permitted by law except that the Executive Committee shall not have power (a) to determine the

Common Expenses required for the affairs of the Condominium, (b) to determine the assessments payable by the Unit Owners to meet the Common Expenses of the Condominium, (c) to adopt or amend any rules and regulations covering the details of the operation and use of the Condominium Property, or (d) to exercise any of the powers set forth in paragraphs (f) and (o) of Article 5 below.

The Board may by resolution also create other committees and appoint persons to such committees and vest in such committees such powers and responsibilities as the Board shall deem advisable.

Meetings of any committee of the Board at which a quorum of the members of that committee are present shall be open to all Unit Owners. Written notice, which notice shall specifically incorporate an identification of agenda items, of all committee meetings shall be posted conspicuously on the Condominium Property at least 48 continuous hours preceding the meeting except in an emergency.

4.16 Proviso. Notwithstanding anything to the contrary contained in this Article 4 or otherwise, the Board shall consist of three Directors during the period that the Developer is entitled to appoint a majority of the Directors, as hereinafter provided. The Developer shall have the right to appoint all of the members of the Board of Directors until Unit Owners other than the Developer own 15% or more of the Units in any one Condominium that will be operated ultimately by the Association. When Unit Owners other than the Developer own 15% or more of the Units in any one Condominium to be operated by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one third of the members of the Board. Upon the election of such Director(s), the Developer shall forward to the Division the name and mailing address of the Director(s) elected. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors (a) three years after 50% of the Units in all Condominiums that will be operated ultimately by the Association have been conveyed to Purchasers; (b) three months after 90% of the Units in all Condominiums that will be operated ultimately by the Association have been conveyed to Purchasers; (c) when all of the Units in all Condominiums that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or (d) when some of the Units have been conveyed to purchasers, and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or (e) seven years after recordation of the Declaration of Condominium in the public records, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one (1) member of the Board as long as the Developer holds for sale in the ordinary course of business 5% of the Units in any one Condominium that will be operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Units in the same manner as any other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority of members of the Board.

The Developer can turn over control of the Association to Unit Owners other than the Developer prior to such dates in its sole discretion by causing all of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Developer to elect Directors and assume control of the Association. Provided at least 30 days' notice of the Developer's decision to cause its appointees to resign is given to Unit Owners, neither the Developer nor its appointees shall be liable in any manner in connection with such resignations even if the Unit Owners other than the Developer refuse or fail to assume control.

Within 75 days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board, or sooner if the Developer has elected to accelerate such event as aforesaid, the Association shall call, and give not less than 60 days notice of an election for the members of the Board of Directors. The election shall proceed as hereinbefore provided for the election of Directors in section 4.2. The notice may be given by any Unit Owner if the Association fails to do so.

At the time that Unit Owners other than the Developer elect a majority of the members of the Board of Directors of the Association (but not more than 90 days after such event for purposes of paragraph (g) below), the Developer shall 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, including, but not limited to, the following items, if applicable:

- 4.16.1 The original or a photocopy of the recorded Declaration of Condominium and all amendments thereto. If a photocopy is provided, the Developer must certify by affidavit that it is a complete copy of the actual recorded Declaration.
- 4.16.2 A certified copy of the Articles of Incorporation of the Association.
- 4.16.3 A copy of the Bylaws of the Association.
- 4.16.4 The minute books, including all minutes, and other books and records of the Association, if any.
- 4.16.5 Any rules and regulations that have been adopted.
- 4.16.6 Resignations of resigning Officers and Board members who were appointed by the Developer.
- 4.16.7 The financial records, including financial statements of the Association, and source documents since the incorporation of the Association through the date of the turnover. The records shall be audited for the period from the incorporation of the Association or from the period covered by the last audit, if an audit has been performed for each fiscal year since incorporation by an independent certified public accountant. All financial statements shall be prepared in accordance with generally accepted accounting standards as defined by rule by the Florida Board of Accountancy, under F.S. Chapter 473. The accountant performing the audit shall examine to the extent necessary supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for association purposes, and billings, cash receipts, and related records to determine that the developer was charged and paid the proper amount of assessments.
- 4.16.8 Association funds or the control thereof.
- 4.16.9 All tangible personal property that is the property of the Association or is or was represented by the Developer to be part of the Common Elements or is ostensibly part of the Common Elements, and an inventory of such property.

4.16.10 A copy of the plans and specifications utilized in the construction or remodeling of Improvements and the supplying of equipment to the Condominium and in the construction and installation of all mechanical components servicing the Improvements and the Condominium Property, with a Certificate, in affidavit form, of an Officer of the Developer or his or her agent or an architect or engineer authorized to practice in Florida, that such plans and specifications represent, to the best of his or her knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Condominium Property and the construction and installation of the mechanical components serving the Improvements and the Condominium Property.

4.16.11 A list of the names and addresses, of which the Developer has knowledge at any time in the development of the Condominium, of all contractors, subcontractors, and suppliers utilized in the construction or remodeling of the improvements and in the landscaping of the Condominium or Association property.

4.16.12 Insurance policies.

4.16.13 Copies of any Certificates of Occupancy that may have been issued for the Condominium Property.

4.16.14 Any other permits issued by governmental bodies applicable to the Condominium Property in force or issued within one year prior to the date the Unit Owners take control of the Association.

4.16.15 All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective.

4.16.16 A roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Developer's records.

4.16.17 Leases of the Common Elements and other Leases to which the Association is a party, if applicable.

4.16.18 Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Unit Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.

4.16.19 All other contracts to which the Association is a party.

5. Powers and Duties. The Board of Directors shall have the powers and duties granted to it by law, the Declaration, the Act, the Articles, and these Bylaws necessary for the administration of the affairs of the Condominium and may take all acts, through the proper Officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles, or these Bylaws may not be delegated to the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

5.1 Operating and maintaining the Common Elements.

5.2 Determining the expenses required for the operation of the Condominium and the Association.

5.3 Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements.

5.4 Adopting and amending rules and regulations concerning the details of the operation and use of the Units and the Condominium Property, subject to a right of the Unit Owners to overrule the Board as provided in Article 13 hereof.

5.5 Maintaining bank accounts on behalf of the Association and designating the signatory or signatories required therefor.

5.6 Purchasing, leasing, or otherwise acquiring Units or other property in the name of the Association or its designee.

5.7 Purchasing Units at foreclosure or other judicial sales, in the name of the Association or its designee.

5.8 Selling, leasing, mortgaging, or otherwise dealing with Units acquired, and subleasing Units leased, by the Association or its designee.

5.9 Organizing corporations for various purposes (e.g., rental programs) and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.

5.10 Obtaining and reviewing insurance for the Condominium Property.

5.11 Making repairs, additions, and improvements to, or alterations of, the Condominium Property, and repairs to and restoration of the Condominium Property, in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings or otherwise.

5.12 Enforcing obligations of the Unit Owners, allocating profits and expenses, and taking such other actions as shall be deemed necessary and proper for the sound management of the Condominium.

5.13 Imposing fines under F.S. 718.303 against appropriate Unit Owners for failure to comply with the provisions of the Board policies and resolutions, the Condominium Documents including the Rules and Regulations established by the Association, and applicable laws by the Unit Owners, their occupants, licensees, or invitees.

The Directors may, under F.S. 718.303(3), impose fines against a Unit not to exceed the maximum permissible by law, for failure to comply with the provisions of the Board policies and resolutions, the Condominium Documents, including the Rules and Regulations, and applicable laws by Owners, occupants, licensees, tenants, and invitees. A fine may be imposed for each day of continuing



violation at the highest rate allowed by law per violation with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed the maximum amount permissible by law.

The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing by being given notice of not less than 14 days. Notice shall be deemed effective when deposited in the United States Mail, certified, return receipt requested, to the address of the Unit Owner listed in the official records of the Association, and as to tenants, to the mailing address for the Unit. The notice shall include:

5.13.1 A statement of the date, time, and place of the hearing.

5.13.2 A statement of the provisions of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, Board policies and resolutions or laws that have allegedly been violated.

5.13.3 A short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. The hearing shall be held before a Committee of other Unit Owners. If the Committee does not agree with the fine, the fine may not be levied. Should the Association be required to initiate legal proceedings to collect a duly levied fine, the prevailing party in an action to collect the fine shall be entitled to an award of costs, and a reasonable attorney's fee incurred before trial (including in connection with the preparation for and conduct of fining hearings), at trial, and on appeal. Unit Owners shall be jointly and severally liable for the payment of fines levied against tenants, guests, invitees, or other occupants of a Unit.

5.14 Purchasing or leasing Units for use by resident superintendents and other similar persons.

5.15 Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements or the acquisition of property, and granting mortgages on and/or security interests in Association-owned property, provided, however, that the consent of the Owners of at least a majority of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required. If any sum borrowed by the Board of Directors on behalf of the Condominium under the authority contained in this paragraph (o) is not repaid by the Association, a Unit Owner who pays to the creditor such portion thereof as the Owner's interest in his or her Common Elements bears to the interest of all of the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien that the creditor shall have filed or shall have the right to file against, or which will affect, such Unit Owner's Unit. However, the Association shall take no action authorized in this paragraph without the prior written consent of the Developer as long as the Developer owns any Unit.

5.16 Contracting for the management and maintenance of the Condominium Property and authorizing a management agent (who may be an affiliate of the Developer) 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 Elements with such 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 Condominium documents and the Act, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association. Notwithstanding the foregoing, in the event that a lawsuit is to be brought against the Developer for any reason whatsoever, at least 75% of all Unit Owners, other than the Developer, must agree, at a meeting duly called for such purpose, prior to institution of any such action.

5.17 Adopting budgets and making and collecting special and periodic assessments against Owners to defray the costs of the Association.

5.18 Acquiring and conveying Common Elements for the purposes of providing utility easements, right-of-way expansion, or other public purpose whether negotiated or as part of the eminent domain procedure, which authority can be exercised by the Board of Directors without approval of the Unit Owners.

5.19 At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements for private parties and gatherings and imposing reasonable charges for such private use (to the extent permitted by the Act).

5.20 Exercising (i) all powers specifically set forth in the Declaration, the Articles, these Bylaws, and the Act, (ii) all powers incidental thereto, and (iii) all other powers of a Florida not-for-profit corporation.

5.21 Imposing a lawful fee in connection with the approval of the transfer, lease, sale, or sublease of Units, not to exceed the maximum amount permitted by law from time to time in any one case.

5.22 Contracting with and creating or joining in the creation of special taxing districts, joint councils, and the like.

6. Officers.

6.1 Executive Officers. The initial executive Officers of the Association shall be a President, a Vice President, a Treasurer, and a Secretary (none of whom need be Directors or Unit Owners), all of whom shall be elected by the Board of Directors (which may create and fill other offices as provided herein) and who may be preemptorily 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 or 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 deem necessary or appropriate to manage the affairs of the Association.

6.2 President. The President shall be the chief executive Officer of the Association. He or she shall have all of the powers and duties that are usually vested in the office of president of an association.

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 or she also shall assist the President and exercise

such other powers and perform such other duties as are incident to the office of the Vice President of an association and as may be required by the Directors or the President.

6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. The Secretary shall attend to the giving of all notices to the members and Directors and other notices required by law. He or she shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He or she shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the 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 or she 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 or she 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 and as may be required by the Directors or the President. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.

6.6 Other. The Board of Directors may create additional offices from time to time and appoint persons to fill such offices, subject to removal at the discretion of the Board.

6.7 Developer Appointees. No Officer appointed by the Directors designated by the Developer may be removed except as provided in Section 4.16 hereof and by law.

7. Compensation. Neither Directors nor Officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or Officer as an employee of the Association, nor preclude contracting with a Director or Officer for the management of the Condominium or for any other service to be supplied by such Director or Officer. Directors and Officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.

8. Resignations. Any Director or Officer may resign his or her post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any Director or Officer (other than appointees of the Developer or Officers who were not Unit Owners) shall constitute a written resignation of such Director or Officer.

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

9.1 Budget.

9.1.1 Adoption by Board; Items. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium (which shall detail all accounts and items of expense

and contain at least all items set forth in F.S. 718.504(21), if applicable), determine the amount of assessments payable by the Unit Owners to meet the expenses of such Condominium, and allocate and assess such expenses among the Unit Owners in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance (to the extent required by law). These accounts shall include, but not be limited to, roof replacement, building painting, pavement resurfacing, and any other items for which the deferred maintenance expense or replacement cost exceeds \$10,000 or other amount, as provided in the Act, as amended from time to time. The amount of reserves shall be computed by means of a formula based on estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of the Association, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. If a meeting of Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the Association.

The adoption of a budget for the Condominium shall comply with the requirements hereinafter set forth:

(a) Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Unit Owner not less than 14 days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting. The meeting shall be open to the Unit Owners, and the Unit Owners shall have a reasonable right to participate. The Board may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements.

(b) Special Membership Meeting. If a budget is adopted by the Board of Directors that requires assessments against the Unit Owners in any year exceeding 115% of the assessments for the preceding year, as hereinafter defined, upon written application of 10% of the Unit Owners, a special meeting of the Unit Owners shall be held within 30 days of delivery of such application to the Board of Directors. Each Unit Owner shall be given at least 10 days' notice of the special meeting. At the meeting, Unit Owners shall consider and adopt a budget. The adoption of the budget shall require a vote of Owners of not less than a majority of all the Units (including Units owned by the Developer). If a meeting of the Unit Owners has been called as aforesaid and a quorum is not obtained or a substitute budget has not been adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

(c) Determination of Budget Amount. In determining whether a budget requires assessments against Unit Owners in any year exceeding 115% of assessments for the preceding year, there

shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors in respect of repair or replacement of the Condominium Property or in respect of anticipated expenses of the Association that are not anticipated to be incurred on a regular or annual basis, and there shall be excluded further from such computation assessments for improvements to the Condominium Property.

(d) Proviso. As long as the Developer is in control of the Board of Directors of the Association, the Board shall not impose assessments for a year greater than 115% of the prior year's assessments, as herein defined, without the approval of a majority of Unit Owners other than the Developer.

9.1.2 Adoption by Membership. In the event that the Board of Directors shall be unable to adopt a budget for a fiscal year in accordance with the requirements of Subsection 9.1(a) above, the Board of Directors may call a special meeting of Unit Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for special meetings in that subsection, or propose a budget in writing to the members, and if such budget is adopted by the members, upon ratification by a majority of the Board of Directors, it shall become the budget for such year.

9.2 Assessments. Assessments against Unit Owners for their share of the items of the budget shall be made for the applicable fiscal year annually at least 20 days preceding the year for which the Assessments are made. Such assessments shall be due in equal installments, payable in advance on the first day of each month (or each quarter at the election of the Board) of the year for which the assessments are made. If annual assessments are not made as required, assessments shall be presumed to have been made in the amount of the last prior assessments, and monthly (or quarterly) installments on the assessments shall be due upon each installment payment date until changed by amended assessments. In the event the annual assessments prove to be insufficient, the budget and assessments may be amended at any time by the Board of Directors, subject to the provisions of Section 9.1 hereof, if applicable. Unpaid assessments for the remaining portion of the fiscal year for which amended assessments are made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended assessments, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended assessments shall be paid with the next regular installment in the following year unless otherwise directed by the Board in its resolution.

9.3 Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual assessments for Common Expenses shall be due only after 14 days' notice is given to the Unit Owners concerned, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of the assessments.

9.4 Late Assessments. Assessments not paid within 10 days from the date due may bear interest from the date when due until paid at the then highest rate allowed by law. Additionally, the failure to pay any assessment within 10 days from the date due shall entitle the Association to levy a late charge against

the defaulting Unit Owner, in such amount as the Board may determine from time to time. However, such late charge shall not exceed the maximum amount allowed under the Act.

9.5 Depository. The depository of the Association shall be such bank or banks or financial institution(s) in the state of Florida federally regulated and insured as shall be designated from time to time by the Directors and in which the funds of the Association shall be deposited. Withdrawal of money from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from assessments or contributions to working capital or otherwise shall be maintained separately for each Condominium, in the Association's name. Reserve and operating funds of the Association shall not be commingled. The Association shall maintain separate accounting records for the Association and for each Condominium operated by the Association. No manager or business entity required to be licensed or registered under F.S. 468.432, and no agent, employee, Officer, or Director of the Association shall commingle Association funds with his, her, its, or another association's or entity's funds.

9.6 Acceleration of Installments Upon Default. As an additional right and remedy of the Association, if a Unit Owner shall be in default in the payment of an installment of the Owner's assessments after 30 days' prior written notice to the applicable Unit Owner, the Board of Directors or its agent may accelerate the assessments due for the remainder of the quarter (if the assessments are made by monthly installments) and thereafter, if a claim of lien has been filed, the assessments shall be accelerated for the balance of the budget year. The unpaid balance of the assessments for the balance of the accelerated period shall be due upon the date stated in the notice, but not less than five days after delivery of the notice to the Unit Owner, or not less than 10 days after the mailing of such notice to the Unit Owner by certified mail, whichever shall first occur.

9.7 Enforcement of Assessments. In the event an assessment is not paid within 10 days of the date it shall be due and payable, the Association, through the Board of Directors, may proceed to enforce and collect that assessment from the delinquent Unit Owner in any manner provided for by the Act, the Declaration of Condominium, and these Bylaws. Each Unit Owner shall be individually responsible for the payment of assessments against his or her Unit and for the payment of reasonable attorneys' fees and costs incurred by the Association in the collection of sums due and enforcement of any lien held by the Association.

9.8 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all persons handling or responsible for Association funds in such amount as shall be determined by the formula set forth in the Act, or such greater amount as may be determined by a majority of the Board. The premiums on such bonds shall be paid by the Association as a Common Expense.

9.9 Accounting Records and Reports. The Association shall maintain accounting records in the State of Florida, according to accounting practices normally used by similar associations. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times, and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a

record of all receipts and expenditures, and (b) an account for each Unit designating the name and current mailing address of the Unit Owner, the amount of assessments, the dates and amounts in which the assessments come due, the amount paid upon the account and the dates so paid, and the balance due. Written summaries of the records described in clause (a) above, in the form and manner specified below, shall be supplied to each Unit Owner annually.

No later than April 1 of the year following the end of a fiscal year, the Board shall mail, or furnish by personal delivery, to each Unit Owner a complete financial report of actual receipts and expenditures for the previous 12 months (i.e., the last completed fiscal year), or a complete set of financial statements for the preceding fiscal year prepared in accordance with generally accepted accounting principles. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- 9.9.1 Cost for security;
- 9.9.2 Professional and management fees and expenses;
- 9.9.3 Taxes;
- 9.9.4 Cost for recreation facilities;
- 9.9.5 Expenses for refuse collection and utility services;
- 9.9.6 Expenses for landscaping;
- 9.9.6 Cost for building maintenance and repair;
- 9.9.7 Insurance costs;
- 9.9.8 Administrative and salary expenses; and

9.9.9 Reserves for capital expenditures, deferred maintenance, and any other category for which the Association maintains a reserve account or accounts.

9.10 Application of Payment. All payments made by a Unit Owner shall be applied as provided in these Bylaws and in the Declaration, or as otherwise determined by the Board.

9.11 Notice of Meetings. Notice of any meeting at which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

10. Roster of Unit Owners. Each Unit Owner shall file with the Association a copy of the recorded deed or other document showing his or her ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Unit Owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at the meeting unless prior to the meeting other Owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of the meeting.

11. Parliamentary Rules. ROBERT'S RULES OF ORDER (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles, or these Bylaws.

12. Amendments. Except as provided otherwise in the Declaration, these Bylaws may be amended in the following manner:

12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting of the membership at which a proposed amendment is to be considered.

12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one third of the members of the Association. Any proposed amendment to these Bylaws must be made by ballot or by limited proxy, delivered to the Secretary of the Association at or prior to the meeting. The approval must be:

12.2.1 Prior to the turnover of control of the Association to Unit Owners other than the Developer, by not less than a majority of the votes of those members of the Association who are present or represented at a meeting at which a quorum has been attained and by not less than 51% of the entire Board of Directors; or

12.2.2 After control of the Association has been turned over to Unit Owners other than the Developer, by not less than 67% of the votes of the members of the Association represented at a meeting at which a quorum has been attained.

12.3 Proviso. No amendment may be adopted that would eliminate, modify, prejudice, abridge, or otherwise adversely affect any rights, benefits, privileges, or priorities granted or reserved to the Developer or mortgagees of Units without the consent of the Developer and mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Declaration. No amendment to this Section shall be valid.

12.4 Execution and Recording. A copy of each amendment shall be attached to a certificate stating that the amendment was duly adopted as an amendment of the Declaration and Bylaws, which certificate shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate and a copy of the amendment are recorded in the Public



Records of the County with an identification on the first page of the amendment of the Official Records Book and Page of the Public Records where the Declaration is recorded.

13. Rules and Regulations. The Board of Directors may from time to time adopt, amend, modify, or add to Rules and Regulations concerning the use of the Condominium Property except that subsequent to the date control of the Association is turned over by the Developer to Unit Owners other than the Developer, Owners of a majority of the Units may overrule the Board with respect to any such adoption, amendments, modifications, or addition. Any such Rule adoption, modification, amendment, or addition need not be recorded in the public records of Escambia County to be effective; however, copies of such adopted, modified, amended, or additional Rules and Regulations shall be furnished by the Board of Directors to each affected Unit Owner not less than 10 days prior to the effective date thereof. At no time may any Rule or Regulation be adopted that would prejudice the rights reserved to the Developer.

14. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

15. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these Bylaws or the intent of any provision hereof.

16. Official Records. From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association:

16.1 The plans, permits, warranties, and other items provided by the Developer under F.S. 718.301(4).

16.2 A photocopy of the recorded Declaration of Condominium and all amendments thereto.

16.3 A photocopy of the recorded Bylaws of the Association and all amendments thereto.

16.4 A certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendments thereto.

16.5 A copy of the current Rules and Regulations of the Association.

16.6 A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Unit Owners, which minutes shall be retained for a period of not less than seven years.

16.7 A current roster of all Unit Owners, their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers.

16.8 All current insurance policies of the Association and the Condominium.

16.9 A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility.

16.10 Bills of sale or transfer for all property owned by the Association.

16.11 Accounting records for the Association and the accounting records for the Condominium, according to good accounting practices. All accounting records shall be maintained for a period of not less than seven years. The accounting records shall include, but not be limited to:

16.11.1 Accurate, itemized, and detailed records for all receipts and expenditures.

16.11.2 A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

16.11.3 All audits, reviews, accounting statements, and financial reports of the Association or Condominium.

16.11.4 All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one year.

16.12 Ballots, sign-in sheets, voting proxies, and all other papers relating to elections, which shall be maintained for a period of one year from the date of the meeting to which the document relates.

16.13 All rental records where the Association is acting as agent for the rental of Units.

16.14 A copy of the current question and answer sheet as described in F.S. 718.504.

The official records of the Association shall be maintained within the state of Florida or at such other place as may be permitted by the Act.

The official records of the Association shall be open to inspection by any Association member or the authorized representative of a member at all reasonable times in accordance with reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying adopted by the Association. Inspections may take place only at the building in which the records are located and the records shall not be removed from that location. Failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

17. Mandatory Non-binding Arbitration of Disputes.

17.1 Prior to the institution of court litigation, the parties to a dispute, as defined in the Act, shall petition the Division for non-binding arbitration. Arbitration shall be conducted according to Rules promulgated by the Division. The filing of a petition for arbitration shall toll the applicable statute of limitations.

17.2 At the request of any party to the arbitration, the arbitrator shall issue subpoenas for the attendance of witnesses and the production of books, records, documents, and other evidence, and any party on whose behalf a subpoena is issued may apply to the court for orders compelling such attendance and production. Subpoenas shall be served and shall be enforceable in the manner provided by law.

17.3 The arbitration decision shall be presented to the parties in writing. An arbitration decision shall be final if a complaint for a trial de novo is not filed in a court of competent jurisdiction in which the Condominium is located within 30 days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party may be awarded reasonable attorneys' fees, the costs of the arbitration, or both, in an amount determined in the discretion of the arbitrator.

17.4 The party who files a complaint for a trial de novo shall be assessed the other party's arbitration costs, court costs, and other reasonable costs, including attorneys' fees, investigation expenses, and expenses for expert or other testimony or evidence incurred after the arbitration hearing if the judgment upon the trial de novo is not more favorable than the arbitration decision. If the judgment is more favorable, the party who filed a complaint for trial de novo shall be awarded reasonable court costs and attorneys' fees.

17.5 The decision of an arbitrator shall be final; however, such a decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose parties from proceeding in a trial de novo. If such judicial proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence.

17.6 Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent jurisdiction in which the Condominium is located. A petition may not be granted unless the time for appeal by filing of a complaint for trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition is granted, the petitioner may recover reasonable attorneys' fees and costs incurred in enforcing the arbitration award.

The foregoing was adopted as the Bylaws of The Court of North Hill Condominium Association, Inc., a Florida not-for-profit corporation, on this the 16<sup>th</sup> day of March, 2006.

THE COURT OF NORTH HILL  
CONDOMINIUM ASSOCIATION, INC.

By: Michael T. Bass  
MICHAEL T. BASS, President

ATTEST:

Dara Hartigan  
DARA HARTIGAN, Secretary

S:\Documents\LEGAL FILES\Bass, Michael T\Court of North Hill\Documents\Bylaws.wpd-March 1, 2005

This instrument was prepared by:  
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**EXHIBIT 2  
TO  
PROSPECTUS  
OF THE COURT OF NORTH HILL, A CONDOMINIUM**

**ARTICLES OF INCORPORATION  
FOR  
THE COURT OF NORTH HILL CONDOMINIUM ASSOCIATION, INC.**

The undersigned incorporator, for the purpose of forming a not-for-profit corporation under the laws of the state of Florida, hereby adopts the following Articles of Incorporation:

**ARTICLE 1 - NAME AND ADDRESS**

The name of the corporation shall be THE COURT OF NORTH HILL CONDOMINIUM ASSOCIATION, INC. The principal address of the Association is 628 Bay Cliffs Road, Gulf Breeze, Santa Rosa County, Florida 32561. For convenience, the corporation shall be referred to as the "Association," the Declaration of Condominium of The Court of North Hill, A Condominium as the "Declaration," these Articles of Incorporation as the "Articles," and the Bylaws of the Association as the "Bylaws."

**ARTICLE 2 - PURPOSE**

The purpose for which the Association is organized is to provide an entity under the Florida Condominium Act as it exists on the date hereof (the "Act") for the operation of that certain condominium located or to be located in Pensacola, Escambia County, Florida, and known as THE COURT OF NORTH HILL, A CONDOMINIUM.

**ARTICLE 3 - DEFINITIONS**

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration of the Condominium to be recorded in the Public Records of Escambia County, Florida, unless herein provided to the contrary or unless the context otherwise requires.

**ARTICLE 4 - POWERS**

The powers of the Association shall include and be governed by the following:

4.1 General. The Association shall have all of the common-law and statutory powers of a not-for-profit corporation under the laws of Florida that are not in conflict with the provisions of these Articles, the Declaration, the Bylaws, or the Act.

**4.2 Enumeration.** The Association shall have the powers and duties set forth in the Act except as limited by these Articles, the Bylaws, and the Declaration (to the extent that they are not in conflict with the Act) and all of the powers and duties reasonably necessary to operate the Condominium under the Declaration and as more particularly described in the Bylaws, as they may be amended from time to time, including, but not limited to, the following:

a. To make and collect assessments and other charges against members as Unit Owners, and to use the proceeds thereof in the exercise of its powers and duties.

b. To buy, own, operate, lease, sell, trade, and mortgage both real and personal property.

c. To maintain, repair, replace, reconstruct, add to, and operate the Condominium Property, and other property acquired or leased by the Association.

d. To purchase insurance upon the Condominium Property and insurance for the protection of the Association, its Officers, Directors, and Unit Owners.

e. To make and amend reasonable rules and regulations for the maintenance, conservation, and use of the Condominium Property and for the health, comfort, safety, and welfare of the Unit Owners.

f. To enforce by legal means the provisions of the Act, the Declaration, these Articles, the Bylaws, and the Rules and Regulations for the use of the Condominium Property, subject, however, to the limitation regarding assessing Units owned by the Developer for fees and expenses relating in any way to claims or potential claims against the Developer as set forth in the Declaration or Bylaws.

g. To contract for the management and maintenance of the Condominium Property and to authorize a management agent (which may be an affiliate of the Developer) 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 Elements using funds made available by the Association. The Association and its Officers shall, however, retain at all times the powers and duties granted by the Condominium Act, including, but not limited to, the levy of assessments, promulgation of rules, and execution of contracts on behalf of the Association.

h. To employ personnel to perform the services required for the proper operation, maintenance, conservation, and use of the Condominium.



4.3 Condominium Property. All funds and the title to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles, and the Bylaws.

4.4 Distribution of Income; Dissolution. The Association shall make no distributions of income to its members, Directors or Officers.

4.5 Limitation. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration, the Bylaws and the Act, provided that in the event of conflict, the provisions of the Act shall control over those of the Declaration and Bylaws.

#### **ARTICLE 5 - MEMBERS**

5.1 Membership. The members of the Association shall consist of all of the record title Owners of Units in the Condominium from time to time, and, after termination of the Condominium, shall also consist of those who were members at the time of such termination, and their successors and assigns. New members shall deliver a true copy of the recorded deed or other instrument of acquisition of title to the Association.

5.2 Assignment. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to the Unit for which that share is held.

5.3 Voting. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Unit, which vote shall be exercised or cast in the manner provided by the Declaration and Bylaws. Any person or entity owning more than one Unit shall be entitled to one vote for each Unit owned.

5.4 Meetings. The Bylaws shall provide for an annual meeting of members, and may provide for regular and special meetings of members other than the annual meeting.

#### **ARTICLE 6 - TERM OF EXISTENCE**

The Association shall have perpetual existence.

#### **ARTICLE 7 - INCORPORATOR**

The name and address of the Incorporator of this Corporation is Michael T. Bass, whose address is 628 Bay Cliffs Road, Gulf Breeze, Florida 32561.

**ARTICLE 8 - OFFICERS**

The affairs of the Association shall be administered by the Officers holding the offices designated in the Bylaws. The Officers shall be elected by the Board of Directors of the Association at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The Bylaws may provide for the removal from office of Officers, for filling vacancies, and for the duties and qualifications of the Officers. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

|                             |   |
|-----------------------------|---|
| <u>President:</u>           | Michael T. Bass<br>628 Bay Cliffs Road<br>Gulf Breeze, FL 32561 |
| <u>Vice President:</u>      | Joshua Dault<br>1110 Brownfield Road<br>Pensacola, FL 32526     |
| <u>Secretary-Treasurer:</u> | Dara Hartigan<br>1817 East Lloyd Street<br>Pensacola, FL 32503  |

**ARTICLE 9 - DIRECTORS**

9.1 Number and Qualification. The property, business, and affairs of the Association shall be managed by a board consisting of the number of Directors determined in the manner provided by the Bylaws, but which shall consist of not less than three Directors and which shall always be an odd number.

9.2 Duties and Powers. All of the duties and powers of the Association existing under the Act, the Declaration, these Articles, and the Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by Unit Owners when such approval is specifically required.

9.3 Election; Removal. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by and subject to the qualifications set forth in the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

9.4 Term of Developer's Directors. The Developer of the Condominium shall appoint the members of the first Board of Directors and their replacements who shall hold office for the periods described in the Bylaws.

9.5 First Directors. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have taken office, as provided in the Bylaws, are as follows:

| <u>NAME</u>     | <u>ADDRESS</u>                                |
|-----------------|---|
| Michael T. Bass | 628 Bay Cliffs Road<br>Gulf Breeze, FL 32561  |
| Joshua Dault    | 1110 Brownfield Road<br>Pensacola, FL 32526   |
| Dara Hartigan   | 1817 East Lloyd Street<br>Pensacola, FL 32503 |

**ARTICLE 10 - INDEMNIFICATION**

10.1 Indemnity. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, lawsuit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a Director, employee, Officer, or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by that person in connection with such action, lawsuit, or proceeding unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he or she did not act in good faith or in a manner he or she reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that he or she had reasonable cause to believe his or her conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied. The termination of any action, lawsuit, or proceeding by judgment, order, settlement, conviction or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner that he or she reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that he or she had reasonable cause to believe that his or her conduct was unlawful.

10.2 Expenses. To the extent that a Director, Officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, lawsuit, or proceeding referred to in Section 10.1 above, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him or her in connection with that defense.

10.3 Advances. Expenses incurred in defending a civil or criminal action, lawsuit, or proceeding shall be paid by the Association in advance of the final

disposition of such action, lawsuit, or proceeding upon receipt of an undertaking by or on behalf of the affected Director, Officer, employee, or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article 10.

10.4 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members, or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, employee, or agent and shall inure to the benefit of the heirs and personal representatives of that person.

10.5 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Association, or is or was serving, at the request of the Association, as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this Article.

10.6 Amendment. Anything to the contrary herein notwithstanding, the provisions of this Article 10 may not be amended without the prior written consent of all persons whose interest would be adversely affected by such amendment.

#### **ARTICLE 11 - BYLAWS**

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the Bylaws and the Declaration.

#### **ARTICLE 12 - AMENDMENTS**

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

12.1 Notice. Notice of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered and shall be otherwise given in the time and manner provided in F.S. Chapter 617. Such notice shall contain the proposed amendment or a summary of the changes to be affected thereby.

12.2 Adoption. Amendments shall be proposed and adopted in the manner provided in F.S. Chapter 617 and in the Act (the latter to control over the former to the extent provided for in the Act).

12.3 Limitation. 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, or 4.5 of Article 4, titled "Powers," without the approval in writing of 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, the Declaration, or the Bylaws, nor shall any amendment make any changes that 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, successor, or assign of the Developer unless the Developer shall join in the execution of the amendment. No amendment to this paragraph 12.3 shall be effective.

12.4 Developer Amendments. To the extent lawful, the Developer may amend these Articles consistent with the provisions of the Declaration.

12.5 Recording. A copy of each amendment shall be filed with the Secretary of State under the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the public records of Escambia County, Florida.

**ARTICLE 13 - INITIAL REGISTERED OFFICE,  
ADDRESS AND NAME OF REGISTERED AGENT**

The initial registered office of this Corporation shall be at 628 Bay Cliffs Road, Gulf Breeze, Florida 32561, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent of the Corporation shall be Michael T. Bass, who shall also be a resident agent, whose address is 628 Bay Cliffs Road, Gulf Breeze, Florida 32561.

IN WITNESS WHEREOF, the Incorporator has affixed his signature the day and year set forth below.

  
MICHAEL T. BASS

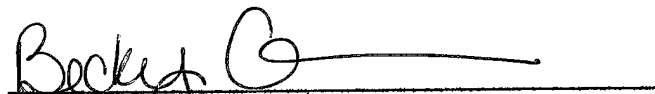
STATE OF FLORIDA

COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me on the 16<sup>th</sup> day of March, 2006, by Michael T Bass, who is personally known to me and who did not take an oath.



**Becky Gibson**  
Commission # DD526295  
Expires March 7, 2010  
Bonded Troy Fain - Insurance, Inc 800-385-7019

  
Notary Public

**PURCHASE DEPOSIT ESCROW AGREEMENT**

THIS PURCHASE DEPOSIT ESCROW AGREEMENT ("Agreement") is made and entered into by and between SNOWMASS MOUNTAIN PROPERTIES, LLC, a Florida Limited Liability Company (hereinafter referred to as "Developer") and Liberis & Associates, PA (hereinafter referred to as "Escrow Agent").

**WITNESSETH:**

WHEREAS, Developer is developing a condominium to be known as The Court of North Hill Condominium, on certain real property located in Escambia County, Florida (hereinafter referred to as the "Condominium"); and

WHEREAS, Developer desires to make arrangements with Escrow Agent to hold all or a portion of certain deposit money (hereinafter referred to as "Deposit Money") received by Developer from purchasers of parcels ("Parcels") in the Condominium (such purchasers hereinafter are referred to as "Purchasers");

WHEREAS, Escrow Agent desires to consent to act as Escrow Agent for Deposit Money paid by Purchasers under condominium purchase agreements (hereinafter referred to as "Contracts") entered into by Developer and Purchasers in accordance with the provisions of F.S. Chapter 718 (the "Act") and on the terms and conditions now about to be set forth;

WHEREAS, Escrow Agent is authorized to act as an escrow agent for Deposit Money received from purchasers of parcels in condominiums established in accordance with the Act;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and lawful consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Representations. The representations set forth above are true and correct and are incorporated herein by reference.
2. Establishment of Escrow. Escrow Agent hereby accepts its designation to act and serve as Escrow Agent for the sale of Parcels in the Condominium by Developer, subject to all of the rights and privileges appertaining thereto and subject to the obligations incident thereto. Developer and Escrow Agent do hereby establish an escrow for the purposes of receiving, holding, and disbursing funds as required under the Act. At the election of Escrow Agent, funds deposited into escrow may be deposited in separate accounts, in a common escrow, or commingled with other escrow money received or handled by Escrow Agent (if and to the extent permitted under applicable provisions of the Act).
3. Deposit of Funds. For such period of time as required under the Act, Developer shall deliver certain Deposit Money received by it to Escrow Agent under Contracts in the form

of the Purchaser's check made payable to or endorsed to the Escrow Agent, and Escrow Agent shall deposit only that Deposit Money into escrow. Simultaneously with the delivery of the Deposit Money, Developer shall deliver to Escrow Agent a schedule identifying the Deposit Money paid, the full legal name and mailing address of the Purchaser, information identifying the Parcel for which the Deposit Money is given, Purchaser's social security number, and any other information as Escrow Agent reasonably may require. Additionally, with regard to each individual purchase, any transmittal of Deposit Money from Developer to Escrow Agent shall describe whether the Deposit Money pertaining to a Parcel is for the first 10% of the purchase price for the Parcel being transmitted and shall identify any portion of the Deposit Money pertaining to a Parcel that exceeds 10% of the purchase price of the Parcel. The portion of the Deposit money pertaining to a parcel that exceeds 10% of the purchase price of that Parcel shall be held in a special escrow account ("Special Escrow Account"). Funds disbursed from the Special Escrow Account shall be used only for the actual construction and development of the Condominium and may not be used, in whole or in part, for salaries, commissions, or expenses of salespersons or for advertising purposes. Furthermore, funds from the Special Escrow Account may be disbursed only after construction of improvements has begun. Disbursements from the Special Escrow Account shall be made by Escrow Agent upon receipt of a written statement from Developer requesting those funds and stating that (1) construction of Condominium improvements has commenced, and (2) no portion of the funds to be disbursed shall be used, in whole or in part, for salaries, commissions, or expenses of salespersons or advertising purposes.

4. Disbursement of Deposit Money.

a. Except as pertaining to disbursements involving the Special Escrow Account, Escrow Agent agrees to hold all Deposit Money in escrow subject to and in accordance with the following terms and conditions:

(1) Until 15 days after Purchaser executes a Contract and receives from Developer all of the documents required to be furnished under the Act, Escrow Agent shall disburse applicable Deposit Money to Purchaser, together with any interest actually earned thereon, promptly on written request by Purchaser or Developer, setting forth the information enabling Escrow Agent to determine the ability to so disburse in accordance with this subparagraph.

(2) Subsequent to 15 days after Purchaser executes a Contract and receives all of the documents required to be furnished under the Act, Escrow Agent shall disburse applicable Deposit Money, together with any interest actually earned thereon, to Purchaser within five days after receipt of Developer's written certification that Purchaser properly has terminated the Contract.

(3) Subsequent to 15 days after Purchaser executes a Contract and receives all of the documents required to be furnished under the Act, Escrow Agent shall

disburse applicable Deposit Money to Developer within five days after receipt of Developer's written certification of the Purchaser's failure to cure a default in performance of Purchaser's obligations thereunder. Certification by Developer shall include: (a) Developer's statement that Purchaser has defaulted and that Developer has not defaulted; (b) a brief explanation of the nature of the default and the date of its occurrence; (c) a statement that Developer is entitled under the Contract to the funds held by Escrow Agent; and (d) a statement that Developer has not received from Purchaser any written notice of a dispute between Developer and Purchaser or a claim by Purchaser to the Deposit Money.

Notwithstanding the foregoing, in the event that before a closing, Escrow Agent receives written notice from Purchaser that there is a dispute between Purchaser and Developer, Escrow Agent shall notify Developer in writing and continue to hold the Deposit Money until it receives written instructions signed by both Developer and Purchaser concerning disbursement.

b. In the event of a closing, Escrow Agent shall disburse to Developer the Deposit Money with respect to the Contract in accordance with Purchaser's authorization as contained in the Contract. Deposit Money shall be disbursed to Developer on receipt by Escrow Agent from Developer of written notice that the closing has been completed.

c. In addition to the above conditions and requirements, Escrow Agent shall, at any time, make disbursements of Purchaser's Deposit Money on: (1) written direction duly executed by Developer and Purchaser, or (2) an appropriate order of a court of competent jurisdiction.

d. At closing, interest earned on Deposit Money shall be paid to Developer unless the Contract provides otherwise, in which event the interest shall be paid to the appropriate party as may be provided by the Contract. If the schedule of information provided to Escrow Agent by Developer under paragraph 3 above fails to indicate that the interest is to go to the Purchaser, Escrow Agent shall presume that the interest shall accrue to Developer.

e. Notwithstanding anything contained herein to the contrary, Escrow Agent may, without further notice or authorization from any Purchaser on any Contract, transfer all Deposit Money received under this Agreement to another escrow agent who otherwise would qualify as a lawful escrow agent under the provisions of the Act; provided, however, that before the transfer, the substitute escrow agent executes an escrow agreement substantially the same as this Agreement, and the escrow agreement is approved by the Division of Florida Land Sales, Condominiums, and Mobile Homes ("Division"), as required by law.

c. Escrow Agent shall be responsible to provide monthly statements to Developer that shall indicate: (1) the Deposit Money received for the Condominium and the Purchasers who made payment of the funds deposited; (2) the Deposit Money disbursed for



the Condominium and to whom the Deposit Money was disbursed; and (3) the remaining balance of Deposit Money for the Condominium.

5. Investment of Deposit Money. Escrow Agent shall invest the Deposit Money in accordance with the Act. As of the date of this Agreement, the Act states that the Deposit Money shall be invested only by Escrow Agent in securities of the United States or an agency thereof or in accounts in institutions the deposits of which are insured by an agency of the United States. In the event the Act is amended to provide for different methods of investment other than as described in the preceding sentence, Escrow Agent shall have the power, without amendment to this Agreement, to invest the funds in accordance with any applicable amendments to the Act. Developer shall advise Escrow Agent in writing from time to time of the method in which Developer desires the Deposit Money to be invested.

6. Compliance. Developer acknowledges that any willful failure to comply with the escrow provisions of F.S. 718.202 constitutes a criminal offense under F.S. 718.202(7).

7. Request for Refund Directly from Purchaser. In the event Escrow Agent receives a request for a refund directly from a Purchaser, Escrow Agent immediately shall forward a copy of the request to Developer. Developer shall have 20 days from receipt of the refund request to either (a) make a refund directly to the Purchaser, with a copy to Escrow Agent, or (b) notify Escrow Agent that Developer disputes that a refund is owed. If Developer does not respond to the refund request within 20 days, Escrow Agent shall forward to Developer its check, made payable to the Purchaser, in the amount of the refund due to the Purchaser, and Developer shall deliver the check to the Purchaser.

8. Separate Books and Records. Escrow Agent shall maintain separate books and records for the Condominium and shall maintain those books and records in accordance with good accounting practices.

9. General Obligations and Duties of Escrow Agent. Escrow Agent shall maintain the accounts called for in this Agreement only in a manner to be under the direct supervision and control of Escrow Agent. Escrow Agent shall maintain the escrow accounts provided for hereunder in accordance with good banking practices and release any funds held under this Agreement from escrow only in accordance with this Agreement and the Act. Escrow Agent shall maintain and retain all affidavits, monthly accountings, and reports received and issued under this Agreement and as provided in F.S. 718.202, as may be required by the Act and the Division. Escrow Agent shall deliver monthly statements to Developer satisfying the requirements of paragraph 4f above.

10. Responsibilities of Developer. Developer agrees that it shall, at all times, file all required documents with the Division and, at all times, comply with all terms and provisions of the Act and all other federal, state, and local regulations affecting the Condominium.

11. Disputes. In the event Escrow Agent shall receive conflicting demands for the escrowed funds or property, Escrow Agent immediately shall notify the Division of the dispute and shall either (1) with the consent of all parties, submit the matter to arbitration at the cost and expense of Developer and the applicable Purchaser, or (2) by interpleader, or otherwise, seek an adjudication of the matter by court proceeding. In the event of any dispute, or in the event of any litigation arising out of any of the terms or provisions of this Agreement, Escrow Agent shall be entitled to recover its reasonable attorneys' fees and court costs at all trial and appellate levels.

12. Term of Agreement.

a. This Agreement shall remain in effect unless and until it is canceled in either of the following manners:

(1) On written notice given by Developer to Escrow Agent of cancellation of designation of Escrow Agent to act and serve in that capacity, in which event the cancellation shall take effect no later than 30 days after notice to Escrow Agent of the cancellation; or

(2) On written notice given by Escrow Agent to Developer of Escrow Agent's desire to resign; provided, however, that resignation by Escrow Agent shall take effect not sooner than 30 days after Escrow Agent gives notice of resignation unless a successor escrow agent has been designated sooner by Developer and all escrowed funds have been delivered to the successor escrow agent.

b. On giving or receiving the notice of termination of the duties of Escrow Agent, in either manner described in subsection a. above, Developer immediately shall designate a successor escrow agent and immediately notify the Division, and Escrow Agent shall deliver within 10 business days thereafter any and all funds held by it in escrow and any and all contracts or documents and copies, if not the original, maintained by Escrow Agent to the successor escrow agent.

13. Nonexclusive Agreement. The parties hereto acknowledge and agree that nothing herein shall prohibit Escrow Agent from serving in a similar capacity on behalf of other developers; provided, however, that any other escrow accounts maintained by Escrow Agent shall be maintained separately as distinct books and records for each project.

14. Reliance by Escrow Agent. Escrow Agent may act on any instrument or other writing believed by Escrow Agent in good faith to be genuine and signed or presented by the proper person, and Escrow Agent shall not be liable in connection with the performance or nonperformance of its duties under the provisions of this Agreement, except for its own default or negligence, and it shall be under no obligation to institute or defend any action, lawsuit, or

legal proceeding in connection herewith or to take any other action likely to result in any expense or liability being incurred by Escrow Agent unless first indemnified.

15. Indemnification. Developer agrees to indemnify and hold Escrow Agent harmless against any and all losses, claims, damages, liabilities, and expenses other than those arising out of the negligence or misconduct of Escrow Agent, including reasonable costs of investigation, counsel fees, and disbursements that may be imposed on Escrow Agent or incurred by Escrow Agent in connection with its acceptance of its appointment hereunder or in the performance of its duties hereunder, including any litigation arising from this Agreement or involving the subject matter hereof.

16. Inspection of Books and Records. The Division retains the right, on providing Escrow Agent with reasonable notice, to inspect the books and records of Escrow Agent.

17. Notices. All notices, certificates, requests, demands, materials, and other communications hereunder shall be in writing and shall be deemed to have been duly given on the delivery thereof by hand to the appropriate addresses hereinafter set forth as evidenced by a signed receipt for same, or shall be considered given by mail on the date postmarked if mailed by first class mail, postage prepaid, or given telegraphically on the date transmitted from the place of origin.

a. Developer's Address:

SNOWMASS MOUNTAIN PROPERTIES, LLC  
628 BAY CLIFFS ROAD  
GULF BREEZE, FL 32561

b. Escrow Agent's Address:

LIBERIS & ASSOCIATES, PA  
1610 BARRANCAS AVE  
PENSACOLA, FL 32501

c. Division's Address:

Director  
DIVISION OF FLORIDA LAND SALES,  
CONDOMINIUMS, AND MOBILE HOMES  
Northwood Centre  
1940 North Monroe  
Tallahassee, FL 32399-1033

18. Binding Agreement. This Agreement shall be binding on Developer and Escrow Agent and their successors and assigns.

19. Escrow Agent's Compensation. The compensation of Escrow Agent for the performance of its duties and obligations hereunder shall be as set forth in a separate agreement by and between the parties.

IN WITNESS WHEREOF, Developer and Escrow Agent have caused this Agreement to be executed in their respective corporate names by their undersigned authorized officers and have caused their respective corporate seals to be affixed hereto on the dates and year noted below.

Signed, Sealed, and Delivered  
in the Presence of:

Jamie Anderson  
Witness

DEVELOPER:

BY: Michael T Bass  
Michael T. Bass

Executed on April 20, 2005

(Corporate Seal)

Signed, Sealed, and Delivered  
in the Presence of:

Jamie Anderson  
Witness

ESCROW AGENT:

BY: Charles S. Liberis  
Charles S. Liberis

Executed on April 20, 2005

(Corporate Seal)