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DECLARATION OF CONDOMINIUM

I. SUBMISSION OF PROPERTY

The undersigned, being the only person or entity having title of record as owner in fee simple to the real property situate, lying, and being in Flagler County, Florida, as more particularly described and set forth as the condominium real property herein in Article III hereof, hereby states and declares that said condominium real property, together with all improvements thereon, is hereby submitted to non-residential condominium ownership pursuant to the Condominium Act of the State of Florida, Chapter 718, Florida Statutes, and the provisions of said Act are hereby incorporated and included herein by reference, and does herewith file for record in the Official Records of Flagler County, Florida, this DECLARATION OF CONDOMINIUM.

II. NAME OF CONDOMINIUM

The condominium is named and shall henceforth be identified as "COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS OF BUNNELL", an office condominium having an address of 201 S. Lemon Street, Bunnell, Florida, 32010.

III. CONDOMINIUM REAL PROPERTY

The condominium real property which is submitted hereby to the condominium form of ownership is the following described lands situate, lying, and being in Flagler County, Florida, which is sometimes referred to herein as the Condominium Property, is described on Exhibit "A", which is attached hereto and made a part hereof by this reference.

IV. DEFINITIONS

The terms used in this Declaration of Condominium and in the Exhibits attached hereto and made a part hereof, including the

Articles of Incorporation and By-Laws of the Medical Park Plaza Professional Condominiums Association, Inc., a Florida non-profit corporation, shall be defined in accordance with the provisions of Chapter 718, Florida Statutes, and as follows, unless the context otherwise requires:

A. Assessment means a share of the funds required for the payment of common expenses which from time to time is assessed against a Unit Owner.

B. Association means the Community Hospital Professional Condominiums Association, Inc., a non-profit corporation organized under the laws of the State of Florida, being the entity responsible for the operation of the Condominium, or any successor.

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

D. Common elements means all those items stated in the Condominium Act and all tangible personal property required for the maintenance and operation of the Condominium, even though owned by the Association, the roof on the office buildings, and all portions of the condominium property not included in the units.

E. Common expenses means all expenses and assessments incurred by the Association for the Condominium and for which the unit owners are liable to the Association.

F. Common surplus means the excess of all receipts of the Association, including, but not limited to, assessments, rents, profits, and revenues on account of the common elements, over the amount of common expenses.

G. Condominium means that form of ownership of real property under which units are subject to ownership by one or more owners and there is appurtenant to each unit as part thereof an undivided share in the common elements and refers to the Community Hospital Professional Condominiums of Bunnell, an office condominium.

H. Condominium Act means and refers to the Condominium Act of the State of Florida (F.S. Chapter 718), as the same exists as of the recording of this DECLARATION, and its successors.

I. Condominium documents means this DECLARATION, all Exhibits annexed hereto, the Articles of Incorporation, and the By-Laws of the Association, all as may be amended from time to time.

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J. Condominium parcel means a unit together with an undivided share in the common elements appurtenant to the unit.

K. Condominium property means and includes the lands and personal property that are subject to the condominium ownership, all improvements placed thereon, and all easements and rights appurtenant thereto intended for use in connection with the condominium.

L. Condominium Unit or Unit means a part of the condominium property which is subject to exclusive ownership and shall include within its definition office units within the Community Hospital Professional Condominiums of Bunnell.

M. DECLARATION means this Declaration of Condominium, together with the exhibits annexed hereto, as same may be amended from time to time in accordance herewith.

N. Developer means HOSPITAL CORPORATION OF AMERICA and any nominee of the Developer or a substitute or alternative developer.

O. Limited Common Elements means and includes those common elements, if any, which are reserved for the use of a certain unit or units to the exclusion of other units as may be specified herein.

P. Mortgagee of Record means any life insurance company, federal, national, or state bank or savings and loan association, union pension fund, real estate investment trust, Massachusetts business trust authorized to do business in the State of Florida, agency of the United States government, or other generally recognized institutional lender who is the holder of any recorded mortgage lien on the condominium property or any portion thereof, including any unit.

Q. Occupant means the person or persons, corporation, partnership, or other legal entity other than the unit owner in rightful possession of a unit pursuant to this DECLARATION.

R. Office Building means the improved structure containing individual office units constructed on the condominium property.

S. Operation or Operation of this Condominium means and includes the administration and management of the condominium property.

T. Party Wall means a partition wall which is located on the vertical plane identifying the interior boundary between adjoining walls, and said party wall is deemed to be a limited common element for the exclusive use of the owners of said adjoining units.

U. Unit Owner or Office Unit Owner means the owner of a condominium parcel.

V. DESCRIPTION OF CONDOMINIUM
AND IDENTIFICATION OF UNIT

A. A plat of survey of the property with a graphic description of the improvements thereon which identifies each office unit by letter, name, or number so that no office unit bears the same designation as any other office unit, all in sufficient detail to identify the common elements of the condominium and each office unit and provide an accurate representation of their locations and dimensions, together with a surveyor's certificate as required by the Condominium Act, are attached hereto and made a part of this DECLARATION as Exhibit "B". Exhibit "B" represents Phase I of the condominium. Phase II of the condominium is described and established in Article VI hereof.

B. The condominium office building consists of two one-story buildings of concrete and steel construction, together with other improvements appurtenant thereto, said structures being constructed substantially in accordance with plans and specifications prepared by C. A. Gardner & Company, Post Office Box 110600, Nashville, Tennessee. There are six (6) office units in the Condominium Office Building 1 and five (5) office units in the Condominium Office Building 2. The units are not of uniform size.

C. The Developer reserves the right to change the interior design and arrangements of all units and to alter the boundaries between units as long as the Developer owns the units so altered; however, no such change shall increase the number of units nor alter the boundaries of the common elements without amendment of this DECLARATION in the manner set forth in this Article. If the Developer shall make any changes in units owned by the Developer which require amendment of this DECLARATION, such changes shall be

reflected by a recorded amendment to this DECLARATION, together with an amended plat or survey and surveyor's certificate attached reflecting such authorized alteration of units, and said amendment need only be executed and acknowledged by Developer and joined in and consented to by all Mortgagees of Record with respect to the altered units, said joinder or consent being in recordable form with the formalities required for a deed in the State of Florida. Upon any such alteration by the Developer, the shares in the common elements appurtenant to the altered units, together with the common expenses and common surplus of the concerned units, shall be altered by the Developer and the ratio of the relative square footage of such altered units and such altered shares of common elements, common expenses, and common surplus shall be duly noted in the amendment of this DECLARATION.

D. The unit owners shall not be deemed to own the undecorated and/or unfinished surfaces of the exterior of perimeter walls of the units, nor shall the unit owners be deemed to own pipes, wires, conduits, or other public utility lines running through their respective units which are utilized for or serve more than one unit, all of which items are hereby made a part of the common elements, provided, however, the easterlymost exterior wall of Phase I, Building 1, shall be deemed to be owned by Developer. Each unit owner, however, shall be deemed to own the walls and partitions which are contained in his unit, with the exception of the party walls. Each unit owner shall own, and each unit shall include, the part of the building, with the exception of the party walls, that lies within the boundaries of the unit, which boundaries are as follows:

1. Upper and lower boundaries: The upper and lower boundaries of a unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:
 - (a) Upper boundary--the lower horizontal plane of the undecorated finished ceiling.
 - (b) Lower boundary--the upper horizontal plane of the undecorated finished floor.
2. Perimetrical boundaries: The perimetrical boundaries of each office unit shall be the vertical planes of the undecorated, finished interior of the exterior walls bounding

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3. The owner has the right to change the interior design and arrangements of his unit and to alter the party walls between units so long as he owns the units on each side of the party wall so altered.
4. Each unit owner shall own each mechanical unit serving the unit which is located outside the perimetrical boundary of the unit, and each owner shall be responsible for the maintenance of same.

A. The development plan is to establish the condominium in two phases. However, Developer retains the option to complete only the first phase as market conditions or other relative factors indicate. The total number of units in the whole of the phase condominium shall not exceed eleven (11) units. The units in Phase II shall be similar to the units in Phase I, except that they may be enlarged or decreased in size as market conditions and other relative factors require as determined by the Developer. Phase I shall consist of six (6) units constructed upon the land described in Exhibit "A", the location of which units is graphically depicted upon Exhibit "B". Phase II shall consist of not more than five (5) units and shall be located upon lands specifically described in Exhibit "C" attached hereto and made a part hereof by this reference.

B. When submitted to condominium ownership, all of the lands in Phase II described in Exhibit "C", except those occupied by condominium units and by limited common elements, are common elements. Each unit percentage of ownership shall be as set forth

in Article VII hereof. The Developer presently contemplates a total development of eleven (11) units and, therefore, each unit owner's fractional share shall be in proportion to the square footage within the unit owned by such unit owner. In the event that the Developer shall elect to terminate development with fewer than eleven (11) units, then each share shall be increased accordingly pro rata to the ownership of all of the other unit owners.

C. The condominium shall be created by the recording of this DECLARATION OF CONDOMINIUM. Thereafter, upon commencement of development of Phase II, or a portion of such Phase II, the Developer may cause to be recorded an amendment to this DECLARATION creating Phase II. Such amendment shall otherwise comply with Article X of this DECLARATION. Such amendment shall describe the additional lands and improvements to be subject to condominium ownership. The mere recording of said amendment with reference therein to this DECLARATION by book and page of its recording shall constitute all that is necessary to submit lands and improvements for Phase II to condominium ownership and the terms and conditions of this DECLARATION. The recording of said amendment shall likewise constitute and create the easements necessary and desirable as an appurtenance to each unit and each ownership. Developer has and reserves the right to sign, acknowledge, and record such amendment without the approval or consent of the Association or any unit owner.

VII. OWNERSHIP OF COMMON ELEMENTS

Each of the unit owners shall own an undivided interest in the common elements appurtenant to such unit, which undivided interest in the common elements is stated in percentage form as to each unit and set forth in Exhibit "D" attached hereto and made a part of this DECLARATION.

The fee simple title to each condominium parcel shall be held by each unit owner and shall include both the condominium office unit and the undivided share in the common elements which are appurtenant to the unit. The undivided interest in the common elements, unless the context of this DECLARATION otherwise requires, shall be

deemed to be conveyed or encumbered with its respective condominium office unit, even though the description and terms of the instrument of conveyance or encumbrance may refer to only the fee title to the condominium office unit. Any attempt to separate the fee title in a condominium office unit from the undivided interest in the common elements appurtenant to such unit shall be null and void.

VIII. VOTING RIGHTS

There shall be one person with respect to each unit owner who shall be entitled to vote at any meeting of the unit owners; such person shall be known (and is hereafter referred to) as a voting member. If a unit is owned by more than one person, those persons shall designate one of their number as a voting member, or in the case of a corporate unit owner, an officer or employee thereof shall be designated as the voting member. The designation of the voting member shall be made as provided for and shall be subject to the provisions and restrictions set forth in the By-Laws of the Association. The total eligible number of votes shall be One Hundred (100), which shall constitute 100% of the voting membership. Each unit shall have no more and no less than the number of votes equal to the number which represents each unit's interest in the common elements and share of the projected operating budget for common expenses of the Condominium, expressed as a percentage on Exhibit "D" to this DECLARATION. If one entity, individual, or corporation owns more than one unit, he or it shall have votes in the Association equal to the total number of votes computed according to the above-described method.

IX. SHARING OF COMMON EXPENSES AND COMMON SURPLUS

The common expenses of the condominium and of the common elements and limited common elements appurtenant thereto, including any monthly maintenance charges assessed, shall be paid for by the unit owners, and the common surplus shall be shared by them, in proportion to the approximate percentage of square feet that their office bears to the total square feet of all the office units in the condominium office buildings, which percentages have been calculated and appear in percentage form for each unit on Exhibit "D" attached hereto.

David
Haas?

X. METHOD OF AMENDMENT OF DECLARATION

A. This DECLARATION, the Articles of Incorporation, and the By-Laws of Community Hospital Professional Condominiums Association, Inc. may be amended at any regular or special meeting of the members of the Association called and convened in accordance with the By-Laws, by the affirmative vote of voting members casting not less than two-thirds (2/3) of the total votes of the Association; provided, however, the Developer may amend the DECLARATION according to Articles V and VI of this DECLARATION.

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

C. All amendments shall be recorded and certified, as required by the Condominium Act. No amendment shall change any condominium parcel, nor a unit's share of the common expenses or common surplus, nor the voting rights appurtenant to any unit, unless the record owner(s) thereof and all Mortgagees of Record with respect to such unit, or other voluntarily placed liens thereon, shall join in or consent to the execution of the amendment. No amendment shall be passed which shall impair or prejudice the rights and/or priorities of any Mortgagee of Record without the written approval of said Mortgagee of Record, which written approval shall be in the form set forth in Article V (C) of this DECLARATION.

D. Anything herein to the contrary notwithstanding, but recognizing the limitations set forth in paragraph C of this Article X, until the first regular election of members of the Board of Administration by the membership of the Association, and so long as the Developer shall have the right to fill vacancies on the Board of Administration pursuant to Article VIII of the Articles of Incorporation of the Association, any amendment to this DECLARATION shall require only the unanimous consent of the Board of Administration, and no meeting of the condominium office unit owners nor any approval thereof need be had.

E. The Association may correct any omission or error in this DECLARATION OF CONDOMINIUM or in other documentation required by law

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to establish the condominium form of ownership by an amendment to this DECLARATION OF CONDOMINIUM or other documentation required by law to effectuate an amendment for the purpose of curing defects, errors, or omissions. Any such documents may be amended at any regular or special meeting of the members of the Association called and convened in accordance with the By-Laws by the affirmative vote of a majority of the eligible votes voting at any meeting of the Association in which a quorum is present.

F. Notwithstanding the foregoing, no amendment shall discriminate against any unit owner nor against any unit or class or group of units, unless the unit owners so affected shall consent; and no amendment shall change any office unit, except as expressly provided for in Article V hereof, nor the share in the common expenses, unless the record owner of the unit concerned and all Mortgagees of Record of such unit shall join in or consent to the execution of the amendment in the form set forth in Article V (C) of this DECLARATION. Nothing contained in this Article X shall apply to any amendment of this DECLARATION by the Developer pursuant to Article V (C) hereof.

XI. ASSOCIATION

The operating entity of the condominium shall be a corporation not for profit pursuant to Chapter 718.111 et seq., Florida Statutes, as amended, which shall be organized and fulfill its functions pursuant to the following provisions:

A. The name of the Association shall be the Community Hospital Professional Condominiums Association, Inc.

B. The said Association shall have all of the powers and duties set forth in the Condominium Act, as well as all of the powers and duties granted to or imposed upon it by this DECLARATION, the By-Laws of the Association, and the Articles of Incorporation of the Association, which Articles are attached hereto and made a part of this DECLARATION as Exhibit "E", and all of the powers and duties necessary to operate the condominium property as set forth in this DECLARATION, the By-Laws, and Articles of Incorporation as such may be amended from time to time.

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C. The members of the Association shall consist of all the record owners of condominium parcels of this condominium and their voting rights shall be as provided in Article VIII hereinabove and in the By-Laws attached hereto.

D. The affairs of the Association shall be directed by the Board of Administration in the manner provided in the By-Laws and Articles of Incorporation. A designated agent of the Developer shall be a member of the Board of Administration.

E. 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 his unit.

F. The Association shall have the power to levy assessments against all members of the Association in order to defray the expenses incurred in carrying out its lawful purposes. Such assessments are hereby declared to be common expenses of the condominium property declared by this DECLARATION.

G. Every owner of a condominium parcel, whether he has acquired his ownership by gift, conveyance, transfer by operation of law, or otherwise, shall be bound by the By-Laws of the Association, the provisions of this DECLARATION, and the Articles of Incorporation of the Association.

H. Notwithstanding the duty of the Association to maintain and repair portions of the condominium property, the Association shall not be liable to condominium office owners for injury or damage, other than the cost of maintenance and repair, caused by any latent conditions of the property to be maintained and repaired by the Association or caused by the elements or other unit owners or persons whatsoever or caused by the failure of independent contractors hired by the Association to properly perform the maintenance and repairs.

XII. BY-LAWS

The operation of the condominium property shall be governed by the By-Laws of the Association, which are set forth in Exhibit "F" attached hereto and made a part of this DECLARATION.

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No modification of or amendment to the By-Laws of the Association shall be valid unless set forth in or annexed to a duly recorded Amendment to this DECLARATION, recorded in the Public Records of Flagler County. The By-Laws may be amended in the manner provided for therein, but no amendment to said By-Laws shall be adopted which would affect the validity or priority of any mortgage encumbering any condominium parcel(s) or which would change the provisions of the By-Laws with respect to Mortgagees of Record without the written approval of all Mortgagees of Record in the form set forth in Article V (C) of this DECLARATION.

XIII. ASSESSMENTS

The making and collecting of assessments against condominium unit owners for common expenses and for such reserves as may from time to time be established by the Association pursuant to the By-Laws of the Association shall be subject to the following provisions:

A. Each unit owner shall be liable for his proportionate share of the common expenses and shall share in the common expenses and the common surplus in proportion to the ratio set forth in Article IX hereof.

B. Assessments and installment payments of such assessments, if paid on or before ten (10) days after the date when due, shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of ten percent (10%) per annum from the date when due until paid. All payments upon accounts shall first be applied to interest and then to the assessments payment first due.

C. The Association shall have a lien on each condominium office parcel for unpaid assessments, together with interest thereon, against the unit owner of such condominium office parcel together with a lien on all tangible personal property located within said office unit, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorney's fees incurred by the Association incident to the collection of such assessment in or out

of court or the enforcement of such lien, including attorney's fees on the appeal of any litigation, together with all costs and expenses of suit and all sums paid for taxes and payments made to holders of superior mortgages, liens, or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, shall be payable by the unit owner and secured by such lien. The aforesaid lien shall also include those sums advanced on behalf of a unit owner in payment of his obligation under the Association's By-Laws. The Board of Administration may take such action as it deems necessary to collect assessments by personal action or by enforcing and foreclosing said lien and may settle and compromise the same if deemed in the best interest of the Association. Said lien shall be effective as and in the manner provided for by the Condominium Act and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien and to apply as a cash credit against its bid all sums due, as provided herein, secured by the enforced lien. In case of such foreclosure and until such time as he is required to vacate the premises by court order in the foreclosure action, the unit owner and/or occupant shall be regarded as a tenant at will with respect to the condominium parcel and shall be required to pay a reasonable rental therefor, and the Association in such foreclosure action shall be entitled to the appointment of a receiver to collect same from the unit owner and/or occupant.

D. Where the Mortgagee of Record or other purchaser of a unit obtains title to a condominium parcel as a result of foreclosure of a mortgage, or when the Mortgagee of Record accepts a deed to said condominium parcel in lieu of foreclosure, such acquirer of title and its or his successors or assigns shall not be liable for the full unpaid share of common expenses or assessments owing from the former unit owner unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage. Such unpaid share of common expenses or assessments owing from the former unit owner shall be deemed to be common expenses collectible from all of the unit owners, including such acquirer and its or his successors and assigns.

E. Any person who acquires an interest in a unit, except through foreclosure by a Mortgagee of Record or acceptance of a deed in lieu of foreclosure by a Mortgagee of Record or successors or assigns of such Mortgagee, all as specifically provided in the paragraph immediately preceding, including without limitation persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to occupancy of the unit or enjoyment of the common elements until such time as all unpaid assessments due and owing by the former unit owners have been paid. The Association, acting through its Board of Administration, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments to any unit owner or group of unit owners or to any third party.

F. A Mortgagee of Record acquiring title to a condominium parcel as a result of foreclosure or a deed in lieu of foreclosure may not during the period of its or his ownership of such parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the common expenses coming due during the period of such ownership.

XIV. SALE, RENTAL, OR TRANSFER OF UNITS

In order to maintain a community of congenial unit owners who are financially responsible and thus maintain and protect the value of the units, the transfer of office units by any unit owner other than Developer shall be subject to the following provisions for so long as the condominium exists:

A. A unit owner intending to make a bona fide sale of his office unit or any interest therein shall give the Developer written notice of such intention, and the Developer shall have a first right to purchase such office unit or interest therein.

In the event of exercise of such right of first refusal, unless otherwise agreed, the consideration to be paid by Developer to unit owner shall be an amount equal to the best price which such third party has, in good faith, offered to pay for the property and on terms no less favorable than those offered by the good faith offeror. Developer shall have thirty (30) days within which to

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advise the unit owner of the Developer's decision to buy or not to buy the unit after receiving written notice from the unit owner of the price and terms which he has been offered for the property. The unit owner is not obligated to offer Developer a right of first refusal in the event that the unit owner organizes into a partnership, assigns any or all of his interest to a related entity or to members of the unit owner's family or to a trust, or make other transfer, but not to an unrelated entity, which may be in the best interests of the unit owner for business reasons without the same being considered a sale or an offer to sell the unit; provided, however, the property shall, as to any future sale or transfer, remain subject to the Developer's right of first refusal. The term "related entity" shall mean one in which at least fifty percent (50%) of the voting power is in one or more of the unit owner's or unit owners' family.

B. No office unit owner may dispose of a condominium office unit without prior approval of the Association, and no fee shall be charged in connection with any transfer or approval of any such transfer in excess of the expenditures reasonably required for the transfer or in excess of the amount set by law. The proposed transferee of any office unit shall furnish suitable credit and/or character references as the Association may, in its discretion, require.

C. Subject to Article XIV A hereinabove written, the approval of the Association that is required for the transfer of interests in office units by sale, lease, gift, devise, inheritance, or other transfers shall be obtained in the following manner:

1. Notice to Association

- (a) Sale. An office unit owner intending to make a bona fide sale of his office unit or any interest therein shall give to the Association written notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require. Such notice, at the office unit owner's option, may include a

demand by the said unit owner that the Association furnish a purchaser of the office if the unit owner's proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

- (b) Lease. An office unit owner intending to make a bona fide lease of his office or any interest therein shall give to the Association written notice of such intention together with the name and address of the intended lessee, such other information concerning the intended lessee as the Association may reasonably require, and an executed copy of the proposed lease, stating, *inter alia*, the amount reserved as rent thereunder and the rental term. Any such lease shall contain a clause prohibiting assignment and subletting without prior consent of the Association.
- (c) Gift, devise, or inheritance; other transfers. An office unit owner who has obtained his title by gift, devise, or inheritance, or by any other manner not previously considered, shall give to the Association written notice of the acquiring of his title, together with such information concerning the office owner as the Association may reasonably require, and a certified copy of the instrument evidencing the unit owner's title.

2. Certificate of Approval

- (a) Sale. If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove of the proposed transaction. If approved, the approval shall be stated in a certificate executed by any officer of the Association, in recordable form.
- (b) Lease. If the proposed transaction is a lease, then within thirty (30) days after receipt of notice and information the Association must either approve or disapprove of the proposed lease. Any disapproval must be based upon reasonable grounds compatible with the purpose of this DECLARATION.

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(c) Gift, devise or inheritance, other transfers. If the office unit owner giving notice has acquired his title by gift, devise, or inheritance, or in any other manner, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the continuance of the said owner's ownership of his office unit. If approved, the approval shall be stated in a certificate executed by an officer of the Association, in recordable form.

3. Failure to give notice

If written notice to the Association as hereinabove required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of an office unit the Association, at its election and without notice, may approve or disapprove the transaction, ownership, or possession. The Association shall proceed as if it had received the required notice on the date of such disapproval. Any sale, lease, gift, devise, or other transfer which is not authorized pursuant to the terms and provisions of this DECLARATION shall be void unless subsequently approved in writing by the Association.

D. If the Association shall disapprove a transfer of interest in an office unit by the methods enumerated in Article XIV B above, the matter shall be disposed of in the following manner:

1. Sale. If the proposed transaction is a sale and if the notice of sale given by the office unit owner shall so demand, then thirty (30) days after receipt of such notice and information the Association shall deliver or mail to the office unit owner an Agreement to Purchase the office unit concerned by a purchaser approved by the Association or an Agreement to Purchase signed on behalf of the Association under seal, in which event the office unit owner shall sell the office unit to the named purchaser at the price and upon the terms stated in the disapproved Contract

to sell, excepting that, at the option of the named purchaser, the purchase price may be paid in cash at closing.

- (a) The sale shall be closed within thirty (30) days after delivery or mailing of the Agreement to Purchase or upon the date designated in the disapproved contract, whichever date shall be later.
 - (b) A certificate of the Association executed by any of its officers in recordable form shall be delivered to the purchaser.
 - (c) If the Association shall fail to purchase or provide a purchaser upon demand of the office unit owner in the manner provided, or if the purchaser furnished by the Association shall default in his Agreement to Purchase, the proposed transaction shall be deemed to have been approved, and the Association shall furnish a certificate of approval, as elsewhere provided, in recordable form.
2. Lease. If the proposed transaction is a lease, the office unit owner shall be advised of the disapproval in writing and the lease shall not be made.
3. Gift, devise, or inheritance; other transfers. If the office unit owner giving notice has acquired his title by gift, devise, or in any other manner, then within thirty (30) days after receipt from the office unit owner of the notice and information required to be furnished the Association shall deliver or mail to the office unit owner an Agreement to Purchase the unit concerned by a purchaser approved by the Association who will purchase, and to whom the office unit owner must sell, the office unit upon the following terms:
- (a) The sale price shall be the fair market value as determined by agreement between the seller and the purchaser within thirty (30) days from the delivery or mailing of such agreement, whichever is later. In the absence of agreement as to price, the price shall be determined by the average

of three (3) appraisals, such appraisals being submitted by three appraisers located within Flagler County, Florida, and as selected and appointed by the parties.

- (b) The purchase price shall be paid in cash.
- (c) The sale shall be closed within thirty (30) days following the date of the determination of the sale price.
- (d) A certificate of the Association executed by any of its officers in recordable form shall be delivered to the purchaser.
- (e) If the Association shall fail to provide a purchaser as required by this instrument, or if a purchaser furnished by the Association shall default in his Agreement to Purchase, then, notwithstanding the disapproval, such ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval, as elsewhere herein provided, in recordable form, to the unit owner.

B. No judicial sale of a unit, nor any interest therein, shall be valid unless:

- 1. The sale is to a purchaser approved by the Association, which approval shall be in recordable form, executed by two officers of the Association, and delivered to the purchaser, or
- 2. The sale is a result of a public sale with open bidding.

F. Any sale or lease which is not authorized pursuant to the terms of this DECLARATION shall be void unless subsequently approved by the Board of Administration of the Association, and said approval shall have the same effect as though it had been given and filed of record simultaneously with the instrument it approved.

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

H. The liability of a unit owner under the various covenants and conditions of this DECLARATION shall continue, notwithstanding the fact that he may have leased, rented, or sub-let his unit, as

provided herein. Every purchaser, tenant, lessee, or transferee of a unit or any portion thereof shall take subject to and by the acceptance of his interest and thereby agrees to be bound by this DECLARATION, the By-Laws of the Association, and the provisions of the Condominium Act.

I. The provisions of this Article XIV relating to leasing and subleasing apply with equal force to situations where a non-unit owner is granted a right of possession or occupancy by a unit owner for no consideration.

J. 1. Notice of Lien. The following provisions relate to notices of lien or suit required to be given to the Association by a unit owner. A condominium office unit owner shall give notice in writing to the Association of every lien upon his condominium unit, other than for mortgages, taxes, and special assessments, within five (5) days after the attaching of the lien.

2. Notice of Suit. A condominium office unit owner shall give notice, in writing, to the Association of every suit or other proceeding which may affect the title to his condominium unit, such notice to be given within five (5) days after the condominium office unit owner shall receive knowledge or notice thereof.

3. Failure to Comply. Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

K. Whenever in this Article an approval is required of the Association in connection with the sale, transfer, lease, or pledge of any office unit and such approval shall not have been obtained pursuant to the provisions hereof, failure upon the part of the Association to object in writing to such sale, transfer, pledge, or lease within ninety (90) days after the date thereof or within forty-five (45) days of the date upon which the purchaser, transferee, or lessee shall take possession of the premises, whichever date shall be later, shall constitute waiver by the Association of the written consent otherwise required by this Article.

L. The Association shall have the power to purchase condominium office units subject to the following provisions:

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1. The decision of the Association to purchase a condominium unit shall be made by its board members without the necessity of approval of its membership except as is hereinafter expressly provided for.
2. The Association shall not purchase an office unit without the approval of the members pursuant to Article IX of the By-Laws attached as Exhibit "F" to this DECLARATION. A member whose condominium office unit is the subject matter of the proposed purchase shall be ineligible to vote thereon; provided, however, that the limitations hereof shall not apply to condominium office units to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent assessments where the bid of the Association does not exceed the aggregate of the amounts due by virtue of any and all senior or superior liens and encumbrances against the condominium office unit plus the amount due the Association, including costs of litigation and attorney's fees, nor shall the limitation of this paragraph apply to condominium office units to be acquired by the Association in lieu of foreclosure of such liens if the consideration therefor does not exceed the cancellation of such lien plus the amounts due by virtue of all senior or superior liens and encumbrances.

XV. INSURANCE PROVISIONS

A. Liability Insurance. The Board of Administration of the Association shall obtain public liability and property damage insurance covering all real property of the condominium owned by the Association and all of the common elements and limited common elements of the condominium property, insuring the Association and the unit owners, as its and their interest appear, in such amounts and providing such coverage as the Board of Administration of the Association may determine from time to time; provided, however, that the minimum amount of coverage obtained by the Board of Administration shall be ONE MILLION DOLLARS (\$1,000,000.00). Premiums for the payment of such insurance shall be paid by the Association pursuant to the authority of the Board of Administration, and such premiums shall be charged as a common expense.

B. Casualty Insurance

1. The Board of Administration of the Association shall obtain fire, extended coverage, vandalism, and malicious mischief insurance, insuring all of the insurable improvements on the condominium property (including the units and the fixtures and other equipment initially installed by the Developer, but not including personal property supplied or installed by unit owners or others, nor the carpeting of the units), including personal property owned by the Association, in and for the interests of the Association, all unit owners, and Mortgagees of Record, as their interests may appear, in an amount equal to the maximum insurable replacement value as determined bi-annually by the Association. The premiums for such insurance shall be paid by the Association pursuant to the authority of the Board of Administration and shall be charged as a common expense. The company with whom the Association shall place its insurance coverage, as provided in this DECLARATION, must be a good and responsible company, authorized to do business in the State of Florida, with a Triple A Best Rating or better.

The Association shall designate and appoint an Insurance Trustee, as hereinafter defined, under an agreement in the form as may be approved by the Board of Administration.

2. The Insurance Trustee established hereunder shall be first approved by the Mortgagee of Record holding the greatest dollar amount of mortgages against all office units of the condominium. All policies purchased by the Association shall be for the benefit of the Association and all unit owners and Mortgagees of Record as their interests appear; however, the Insurance Trustee shall be the named insured, and it shall not be necessary to name the Association or the unit owners, although the policies shall contain a standard mortgagee endorsement covering all Mortgagees of Record. Such policies shall be deposited with the Insurance Trustee, who must first acknowledge that the policies

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and any proceeds thereof will be held in accordance with the terms hereof and of the agreement referred to in Article XVI B 1 above. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, which may be any bank in Florida with trust powers, as may be appointed and designated by the Association. The Insurance Trustee shall not be liable for the payment of premiums, nor for the renewal or the sufficiency of the policies, nor for the failure to collect any insurance proceeds, nor for the form or content of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Association and the unit owners and their respective mortgagees, in the following shares, provided that such shares need not be set forth on the records of the Insurance Trustee:

- (a) Common Elements: Proceeds on account of damage to common elements--an undivided share for each unit owner, such share being the same as the undivided share in the common elements appurtenant to his unit.
- (b) Units: Proceeds on account of damage to office units shall be in the following undivided shares:
 - (i) Partial Destruction--When units are to be repaired and restored for the owners of the damaged units, in proportion to the cost of repairing the damage suffered by each unit owner.
 - (ii) Total Destruction of a condominium improvement, or where "very substantial" damage, as hereinafter defined in paragraph 6 of this Article, occurs and the Condominium Improvements are not to be restored, as provided hereinafter in this Article, for the owners of all condominium units so destroyed--each unit owner's share shall be in proportion to his share of the property so destroyed, determined by dividing the unit owner's square footage by the total square feet of the destroyed property.

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

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

(a) Reconstruction or Repair: It shall be presumed that the first monies from the insurance proceeds shall be in payment of costs for repair and restoration. If the damage for which the proceeds were paid is repaired and restored and any proceeds remain after defraying such costs, they shall be distributed to the beneficial owners, all remittances to unit owners and their Mortgagees of Record being made payable jointly to them. This is a covenant for the benefit of any Mortgagee of Record of a unit and may be enforced by said Mortgagee of record. Said remittances shall be made solely to a Mortgagee of Record when requested by such Mortgagee of Record whose mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt subject to the provisions of Article XV B 5(e) below.

(b) Failure to Reconstruct or Repair: If it is determined in the manner elsewhere herein provided that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the beneficial owners, all remittances to unit owners and their Mortgagees of Record being made payable jointly to them. This is a covenant for the benefit of any Mortgagee of Record of a

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unit and may be enforced by such Mortgagee of Record. Said remittances shall be made solely to a Mortgagee of Record when requested by such Mortgagee of Record whose mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt. In the event of loss or damage to personal property belonging to the Association, and should the Board of Administration of the Association determine not to replace such personal property as may be lost or damaged, the proceeds shall be disbursed to the beneficial owners as surplus in the manner provided in this Article XV b 3(a).

- (c) Certificate: In making distribution to unit owners and their Mortgagees of record, the Insurance Trustee may rely upon a certificate of the Association as to the names of the unit owners and their respective shares of the distribution. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate. In addition, the Insurance Trustee may rely on such a certificate as to whether or not the damaged property is to be repaired and restored and as to the payee and the amount to be paid from said proceeds.
- 4. If loss shall occur within a unit or units without damage to the common elements and/or the party wall between units, the provisions of this Article XV B 5 below shall apply.
- 5. Where a loss or damage occurs within a unit or units and/or to the common elements, but said loss is less than "very substantial", as hereinafter defined in Article XV B 6, it shall be obligatory upon the Association and the unit owner(s) to repair, restore, and rebuild the damage caused by said loss. Where such loss or damage is less than "very substantial",:
 - (a) The Association shall promptly obtain reliable and detailed estimates of the cost of repair and restoration.
 - (b) The proceeds, upon the written direction and approval of the Association, shall be endorsed by the Insurance Trustee

over to the Association, which shall promptly contract for the repair and restoration of the damage. All payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee and execute any affidavit required by law, the Association, or the Insurance Trustee, and deliver same to the Insurance Trustee.

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- (c) Subject to the foregoing, the Association shall have the right and obligation to negotiate and contract for the repair and restoration of the condominium property and shall have the power to direct the disbursement of the funds held by the Insurance Trustee for the repair and restoration of the condominium property.
- (d) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof if the work has actually been done), the Association shall promptly, upon determination of the deficiency, levy a special assessment against all unit owners in proportion to each unit owner's share in the common elements for such portion of the deficiency as is attributable to the cost of restoration of the common elements and against the individual unit owner for the portion of the deficiency as is attributable to his individual unit; provided, however, that if the Association finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to a specific individual damaged unit, then the Association shall levy an assessment for the total deficiency against all of the unit owners in proportion to each unit owner's share in the common elements just as though all of said damage had occurred to the common elements. The special assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Insurance Trustee to the proceeds available for the restoration and repair of the property.

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(e) In the event the insurance proceeds are insufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by special assessment within ninety (90) days after the casualty so that sufficient funds are on hand to fully pay for such restoration and repair, then no mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan, any provision in any mortgage to the contrary notwithstanding.

6. As used in this DECLARATION or any other context dealing with this condominium, the term "very substantial" damage shall mean loss or damage whereby seventy-five percent (75%) or more of the total unit space in the office building or individual office unit, whichever is applicable, is rendered untenable, or loss or damage whereby seventy-five percent (75%) or more of the total amount of insurance coverage (placed as per this Article XV B 1) becomes payable. Should such "very substantial" damage occur to the office building, then:

(a) The Association shall promptly obtain reliable and detailed estimates of the cost of repair and restoration thereof.

(b) Thereupon, a membership meeting shall be called by the Association, to be held not later than sixty (60) days after the casualty, to determine the wishes of the membership with reference to the abandonment of the office building subject to the following:

(i) If the net insurance proceeds available for restoration and repair appear to be sufficient to cover the cost thereof so that no special assessment appears to be required, then the condominium property shall be restored and repaired unless the unit owners unanimously vote to abandon the condominium project and the Mortgagees of Record affecting all of the office units consent thereto, in which case the condominium property shall be removed from the provisions of the

laws by recording in the Public Records of Flagler County, Florida, an instrument terminating this Condominium, which instrument shall further set forth the facts affecting the termination certified by the Association and executed by its President and Secretary. The termination of the condominium shall become effective upon the recording of said instrument, and the unit owners shall thereupon become owners as tenants in common in the property (i.e., the real and tangible and intangible personal property and any remaining structures of the condominium), and their undivided interests in such property shall be the same as their undivided interests in the common elements of this Condominium prior to its termination, and the mortgages and liens upon condominium parcels shall become mortgages and liens upon the undivided interest of such tenants in common with the same priority as existed prior to the termination of the condominium.

- (ii) If the net insurance proceeds available for restoration and repair, together with funds advanced by unit owners to replace insurance proceeds paid over to mortgagees, do not appear to be sufficient to cover the costs thereof so that a special assessment appears to be required, and if a majority of the unit owners of this Condominium vote against special assessment and to abandon the condominium project and the Mortgagees of Record affecting all of the office units consent thereto, then it shall be so abandoned and the condominium property removed from the provisions of the Condominium Act and the condominium terminated, as set forth in this Article XV B 6 (6) (i) above, and the unit owners shall be tenants in common in the property in such undivided interests, and all mortgages and liens upon the condominium

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parcels shall encumber the undivided interests as such tenants in common as is provided in this Article XV B 6 (b) (1) above. In the event unit owners, by unanimous vote, vote in favor of special assessment, the Association shall immediately levy such special assessment, and the Association shall thereupon proceed to negotiate and contract for such repairs and restoration, subject to the provisions of Article XV B 5 (c) above. These special assessment funds shall be delivered by the Association to the Insurance Trustee to be added to the proceeds available for the restoration and repair of the condominium property. The proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property as provided in Article XV B 3 (a) above. In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, a finding by a majority of the eligible voters of the Association shall be binding upon all unit owners.

7. Any repair and restoration must be substantially in accordance with the plans and specifications for the original building or as the building was last constructed or according to the plans approved by the Association, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all Mortgagees of Record shall also be required.

8. The Association is hereby irrevocably appointed agent for each unit owner for the purpose of compromising and settling claims arising under insurance policies purchased by the Association and to execute and deliver releases therefor upon the payment of claims.

C. Miscellaneous Insurance. The Association shall also carry other insurance as follows:

1. Workmen's Compensation insurance to meet the requirements of law;

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2. Flood insurance, if required by Mortgagees of Record or if deemed desirable by the Board of Administration of the Association; and
3. Such other insurance shall be obtained as the Association shall determine from time to time to be desirable. Each individual unit owner shall be responsible for purchasing, at his own expense, if desired, liability insurance to cover accidents occurring within his own unit (as well as to cover unit owner's proportionate liability for acts or omissions of the Association in relation to the use of common elements under Florida Statute 718.119 to the extent liability insurance of the Association may be insufficient) and for purchasing insurance upon his own personal property. If available, and where applicable, the Association shall endeavor to obtain policies which provide that the insurer waives its right of subrogation as to any claims against unit owners, the Association, and their respective servants, agents, and guests.

D. Mortgagee's Right to Advance Premiums. Should the Association fail to pay such premiums when due, or should the Association fail to comply with other insurance requirements reasonably required, the Mortgagee(s) of Record shall have the right, at its (their) option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance and, to the extent of the money so advanced, said Mortgagee(s) of Record shall be subrogated to the assessment and lien rights of the Association as against the individual unit owners for the payment of such item of common expense.

E. Insurance Trustee's Fees. The fees of the Insurance Trustee, if any, shall be charged to the unit owners as a common expense.

XVI. USE RESTRICTIONS

The use of the condominium property shall be in accordance with the following provisions as long as the condominium exists and the office building, in useful condition, exists upon the land.

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A. The use of each and every office unit shall be subject to all use restrictions and limitations running with the land and shall not be in conflict with, nor in violation of, any present or future zoning ordinance or ordinances of the County of Flagler, Florida, provided that any use which becomes a non-conforming but permissible use by virtue of a future ordinance shall be permissible.

B. The common elements, if any, and limited common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the use and enjoyment of the general or particular office unit owners, their business invitees, and guests.

C. No nuisances shall be allowed upon the condominium property, nor any use, noxious odor, or loud noise that is a source of annoyance to other office unit owners or which interferes with the peaceful possession and proper use of the property by other office unit owners. All parts of the condominium property shall be kept in a clean and sanitary condition and no rubbish, refuse, trash, or garbage allowed to accumulate, nor any fire hazard allowed to exist. No owner shall permit any use of his unit or make any use of the common elements that will increase the cost of insurance upon the condominium property.

D. No immoral, improper, offensive, or unlawful use shall be made of the condominium property, nor any part thereof, and all ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

E. After approval by the Association as elsewhere required, office units may be rented, provided the occupancy is by the lessee only.

F. Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to all unit owners upon request.

G. No "For Sale" or "For Rent" signs or other displays or advertising shall be maintained on any part of the common elements or limited common elements unless the express written consent of the Association has been secured.

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H. Unless prior written approval has been obtained from the Association, a unit owner shall not cause anything to be affixed or attached to, hung, displayed, or placed on the exterior walls or roof, including awnings and/or storm shutters, doors, or windows of his unit; nor shall a unit owner grow any type of plant, shrubbery, flower, vine, or grass outside his unit; nor shall a unit owner place any furniture or equipment outside his unit.

XVII. MANAGEMENT, ALTERATIONS, REPAIRS, AND MAINTENANCE

A. The Board of Administration of the Association may enter into a contract with any firm, person, or corporation for the maintenance, repair, and management of this condominium property and may delegate to the manager all the powers and duties of the Association, except such as are specifically required by this DECLARATION or by the By-Laws to have the approval of the Board of Administration or the membership of the Association. The manager may be authorized to determine the budget, make assessments for common expenses, and to collect assessments as provided by this DECLARATION and the By-Laws.

B. There shall be no alteration nor further improvements of common elements (excluding normal and necessary maintenance and repair) without the prior approval of two-thirds (2/3) of all unit owners in the Association. The cost of any such alterations and improvements shall be assessed against all unit owners as a common expense.

C. Each unit owner agrees as follows:

1. To maintain in good condition and repair his unit and all interior surfaces within or surrounding his unit (such as the plaster comprising the walls, the ceilings, and floors), whether or not part of the unit or the common elements or limited common elements, and the entire interior of his unit and to maintain and repair the fixtures and equipment therein, including, without limitation thereto, the following, where applicable: drains, plumbing fixtures and connections, sinks, electric panels, and fixtures within the unit; interior doors, windows,

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screening and glass, including the operating mechanisms; and to pay for all utilities which are separately metered or charged to him or to his unit (including, but not limited to, water and electric bills). Where a unit is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the unit owner, and each unit owner shall maintain the air conditioning and heating systems, including the duct work and replacement of filters associated with their unit.

2. Not to make or cause to be made any structural addition or alteration to his unit or to the common elements or limited common elements. Alterations within a unit may be made without the prior written consent of the Association. The installation or removal of a non-load bearing partition shall constitute an alteration within a unit and not an alteration or addition to a unit.
3. To make no alterations, decorations, repairs, replacements, or changes of the common elements, limited common elements, or to any outside or exterior portion of the building, whether within a unit or part of the common elements or limited common elements. Said parties shall comply with the rules and regulations adopted by the Association. The unit owner shall be liable for all damages to another unit, the common elements, or the condominium property caused by the unit owner's contractor, subcontractor, or employee, whether said damages are caused by negligence or otherwise.
4. To allow the Association, the Board of Administration, or the agents or employees of the Association to enter into any unit for the purpose of maintenance, inspection, repair, or replacement of the improvements within the units, the common elements, or the limited common elements or to determine compliance with the provisions of this DECLARATION and the By-Laws of the Association.
5. To show no signs, advertisements, or notice of any type on the common elements, limited common elements, or his unit

except that standard company, professional, or corporation slogans and logos may be permitted on each unit's entry door, in addition to the name of the office unit owner, as provided for in this Article XVII F.

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D. In the event the owner of a unit fails in his maintenance obligations as set forth herein or makes any alterations without the required written consent or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Association shall have the right to levy an assessment against the owner of a unit and the unit for such necessary sums to remove any unauthorized addition or alteration and to restore the unit common elements or limited common elements to good condition and repair. Said assessments shall have the same force and effect as all other special assessments, and the Association shall have a lien on the unit to enforce same and for the reasonable collection costs and attorney's fees incident thereto. The Association shall have the further right to have its employees or agents or any subcontractors appointed by it enter a unit at all reasonable times to do such work as is deemed necessary by the Association to enforce compliance with the provisions thereof.

E. The Association shall determine the exterior color scheme of the building, all exteriors, and the liners for all window draperies, and no unit owner shall paint an exterior wall, door, window, or any exterior surface or install drapes without approved liners or install other window treatment or replace anything thereon or affixed thereto without the written consent of the Association.

F. The location, size, color, and letter size of all individual signs shall be as approved by the Association prior to placement on the door of each office unit. No other signs shall be allowed in any location or type without prior written approval of the Association. Such approval of the Association may not be revoked once it has been granted.

XVIII. DEVELOPMENT PLAN

The Developer is creating a single condominium with one office building on the subject property. There will be no merger of the common elements of this condominium with any other condominium.

XIX. EASEMENTS

A. Easements are hereby granted, created, and reserved through each unit for conduits, ducts, plumbing, wiring, and other facilities for furnishing of utility services to the units and the common elements. An easement of support is also hereby created, granted, and reserved in every portion of the unit which contributes to the support of a building.

B. The Condominium Association, its members, the Developer, its successors and assigns, and the Developer's designees are hereby granted a non-exclusive easement for ingress and egress over, through, and across the paved areas of the common elements and limited common elements, other than the parking spaces, for vehicular and pedestrian purposes. The aforesaid parties are further granted a pedestrian easement over and across the common elements and limited common elements of the condominium. The aforesaid easements shall also be for the benefit of all unit owners or lessees, their business invitees and guests, and all owners of a portion of the real property and persons occupying said lands or portions of the land as determined by Developer. The terms "street easement", "ingress and egress easement", "roadway", and "roadway easement" wherever used throughout the DECLARATION and exhibits attached hereto shall mean the same and are for vehicular and/or pedestrian purposes as the context requires. The Developer hereby grants to the parties aforementioned an easement for ingress and egress for vehicular and pedestrian purposes over and across the paved areas of the common elements to provide access to and from said condominium office unit to the nearest public street, road, or right-of-way and to provide access over and across all paved areas within the condominium, provided said paved area is intended for use as a driveway, street, or road.

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C. The unit owners agree that if any portion of a unit, common element, or limited common element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event the condominium office building is partially or totally destroyed and then rebuilt, the owners of the condominium parcels agree that encroachments on parts of the common elements, limited common elements, or units, as aforesaid, due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

XX. MISCELLANEOUS PROVISIONS

A. No owner of a condominium parcel may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or limited common elements on the condominium property or by the abandonment of his unit.

B. The owners of each and every unit shall be subject to ad valorem taxes with the appropriate taxing authority of the County wherein the condominium is situate. Nothing herein shall be construed, however, as giving to any unit owner the right to contribution or any right of adjustment against any other unit owner on account of any deviation by the taxing authorities from the valuation herein prescribed; each unit owner shall pay such ad valorem taxes and special assessments as are separately assessed against the condominium parcel.

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

D. If any of the provisions of this DECLARATION, the By-Laws, or the Condominium Act, or any section, sentence, clause, phrase, or

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word or application thereof, in any circumstances, is held invalid or unenforceable, the validity of the remainder of this DECLARATION, the By-Laws, or the Condominium Act, and of the application of any such provision, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby.

E. Whenever notices are required to be sent hereunder, the same may be delivered to unit owners either personally or by certified mail, return receipt requested, addressed to such unit owners at their place of business in the condominium, unless the unit owner has, by written notice duly receipted for, specified a different address. Notices to the Association shall be delivered by certified mail, return receipt requested, to the Secretary of the Association at the Secretary's office in the condominium or, in the case of the Secretary's absence, to the President of the Association at his office in the condominium or, in his absence, to any member of the Board of Administration of the Association. Proof of such mailing shall be by post office receipt.

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

F. In any action or proceeding between the Association and a unit owner or unit owners, the prevailing party shall be entitled to recover a reasonable attorney's fee and the costs and expenses of litigation, including appeals.

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

H. The captions used in this DECLARATION OF CONDOMINIUM and exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of the text of this DECLARATION or exhibits hereto annexed.

I. All costs of water and sewage service to the condominium property, as well as trash removal, gas (if any), and electric service to the condominium property, shall be and are hereby declared to be a common expense of the Condominium Association, except as provided in Article XVII C 1. ?

J. The real property submitted to condominium ownership herewith is subject to conditions, limitations, restrictions, reservations, easements, and all of the terms and provisions in this DECLARATION and exhibits attached thereto, and all matters of record, taxes, applicable zoning ordinances now existing or which may hereafter exist, easements for utility service, drainage, and other purposes now existing.

K. Notwithstanding the fact that the present provisions of the Condominium Act of the State of Florida are incorporated by reference and included herein, the provisions of this DECLARATION and exhibits attached hereto shall be paramount to the Condominium Act as to those provisions where permissive variances are permitted; otherwise, the provisions of said Condominium Act shall prevail and shall be deemed incorporated herein (as same exists as of the recording of this DECLARATION).

L. The property submitted to condominium ownership herewith is and shall be limited to the construction, maintenance, and operation of a medical office building for the care and treatment of human beings by licensed medical doctors and parking facilities incidental thereto. Ownership and occupancy of units shall be only by such licensed medical doctors. "Licensed medical doctors" is defined, for purposes of this DECLARATION, as medical doctors pursuant to Chapter 458, Florida Statutes, 1979, and all amendments thereto. Specifically excluded is a commercial laboratory and a commercial X-ray; provided, however, this shall in no way restrict any occupant.

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REC

of the aforesaid office building from maintaining and performing his own individual laboratory and X-ray procedures for his patients. "Commercial laboratory" and "commercial X-ray" are defined, for purposes of this DECLARATION, as including, but not limited to, any laboratory or X-ray work performed by an occupant of the building for any other occupant of the building or for any third party. This paragraph shall be a covenant running with the land and shall be binding until such time as HOSPITAL CORPORATION OF AMERICA or its subsidiary ceases to operate an acute care hospital adjacent to the property herein.

Hospital
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M. Attached hereto as Exhibit "G" is the Contract for the Sale of Condominium Unit, which such contract is a part of this DECLARATION by reference hereof.

N. Attached hereto as Exhibit "H" is a Management Agreement by and between HOSPITAL CORPORATION OF AMERICA and the COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC., which such Management Agreement is made a part of this DECLARATION by this reference.

IN WITNESS WHEREOF, the Developer has caused this DECLARATION to be executed this 25th day of May, 1982.

Signed, sealed, and delivered in the presence of:

HOSPITAL CORPORATION OF AMERICA,
a Tennessee corporation

[Signature]
[Signature]

By: *[Signature]*
Title: *Vice President*



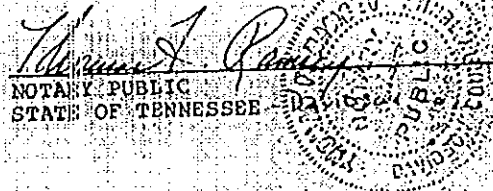
STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before me, the undersigned authority, personally appeared DAVID J. MALONE, JR., VICE PRESIDENT of HOSPITAL CORPORATION OF AMERICA, a Tennessee corporation, to me well known to be the person described in and who executed the foregoing instrument on behalf of HOSPITAL CORPORATION OF AMERICA, and he severally acknowledged before me that he executed such instrument as such officer of said corporation and that it was affixed to said instrument by due and regular corporate authority and that the said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal in said County and State this 25TH day of MAY, 1982.

My commission expires:

4/17/83



FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof being hereby acknowledged, the COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC., a Florida Corporation not for profit, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations, and burdens imposed upon it by the provisions of this DECLARATION OF CONDOMINIUM and exhibits attached hereto.

IN WITNESS WHEREOF, the COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC., a Florida Corporation not for profit, has caused these presents to be signed by its President and its corporate seal affixed, attested by its Secretary, this 22 day of April, 1982.

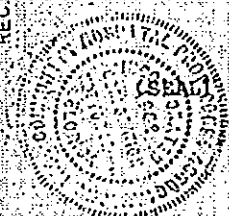
Signed, sealed, and delivered
in the presence of:

COMMUNITY HOSPITAL PROFESSIONAL
CONDOMINIUMS ASSOCIATION, INC.,
A Florida Corporation

Nancy Smith
Nancy Smith

By: JIM POUCHER
JIM POUCHER, President

Attest: John Olivari
JOHN OLIVARI, Secretary



STATE OF FLORIDA
COUNTY OF LEON

BEFORE ME, the undersigned authority, personally appeared JIM POUCHER and JOHN OLIVARI, to me well known to be the persons described in and who executed the foregoing instrument as President and Secretary, respectively, of COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC., a Florida Corporation not for profit, and they severally acknowledged before me that they executed such instrument as such officers of said corporation and that it was affixed to said instrument by due and regular corporate authority and that the said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal at said County and State this
22 day of April, 1982.

My commission expires:
10/6/82

Ronald R. Richmond
NOTARY PUBLIC
STATE OF FLORIDA AT LARGE

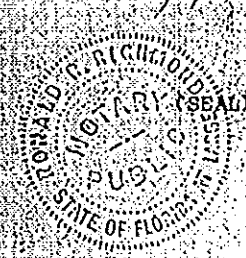


EXHIBIT "A"

Legal Description of Phase I Land

As a point of reference commence at the most Westerly corner of Lot 5, Block 17, Plat of Hunnell, as recorded in Plat Book 1, Page 2, Public Records of Flagler County, Florida, said point also being the intersection of the Southeasterly line of Moody Boulevard (an 80' R/W) and the Northeasterly line of South Lemon Street (a 50' R/W); thence South 51° 00' 00" East along said North R/W line a distance of 261.85' to the Point of Beginning; thence North 39° 00' 00" East a distance of 234.95' to the centerline of South Pig Street (a 50' R/W as vacated per O.R.B. 190, Page 0106, of the Public Records of Flagler County, Florida); thence South 51° 00' 00" East along said centerline a distance of 47.85' to the Easterly right-of-way line of Marion Street (a 25' R/W as vacated per O.R.B. 190, Page 0106, of the Public Records of Flagler County, Florida); thence South 00° 13' 44" West along said Easterly right-of-way line a distance of 49.68' to a point; thence South 38° 56' 30" West a distance of 36.42' to a point; thence South 51° 03' 30" East a distance of 145.54' to a point; thence South 38° 56' 30" West a distance of 83.55' to a point; thence South 51° 03' 30" East a distance of 11.75' to a point; thence South 38° 56' 30" West a distance of 76.17' to a point on the East right-of-way line of Marion Street a 25' right-of-way, thence North 51° 00' 00" West along the Northeasterly right-of-way line (and a projection thereof) of South Lemon Street a distance of 236.56' to the Point of Beginning, containing 0.97 acres more or less.

EXHIBIT "B"

OFF REC 116 PAGE 120.

Page 1 of 3

COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUM OF BUNNELL

[illegible]

And of course, we're not alone.

[illegible]

10-10-68

PHASE 2

PARTIAL PAY. PRELIMINARY

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THE UNIVERSITY OF CHICAGO

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1. The first group of students (Group A) was assigned to read the text and identify the main idea of the passage. They were then asked to write a short paragraph summarizing the main idea in their own words.

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... ..

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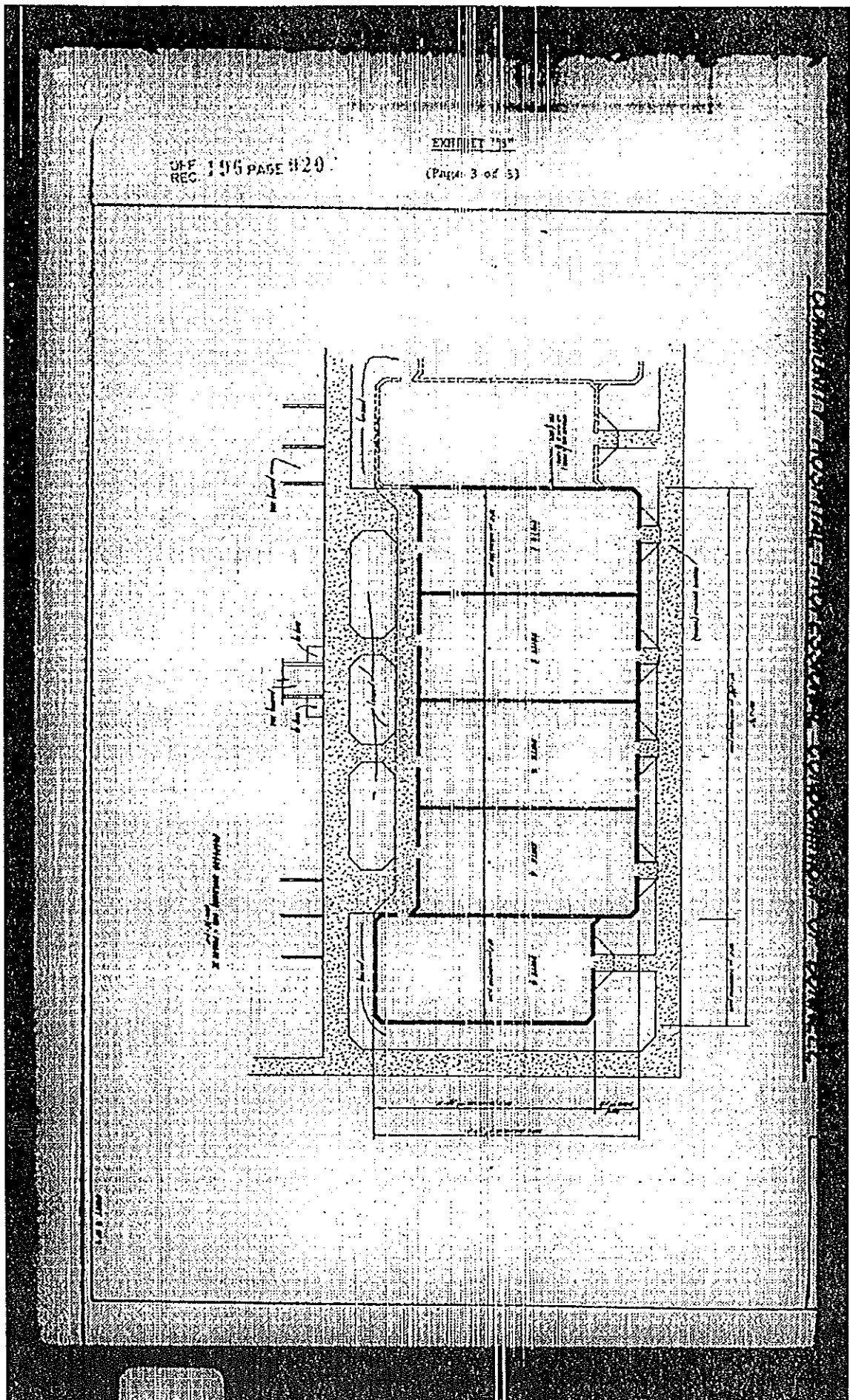


EXHIBIT "C"Legal Description of Phase II Land

As a point of reference commence at the intersection of the Northeasterly right-of-way line of South Lemon Street (a 50' R/W) and the East right-of-way line of Marion Street (a 25' R/W) as shown on plat of Bunnell as recorded in Plat Book 1, Page 2, of the Public Records of Flagler County, Florida; thence North 38° 56' 30" East a distance of 13.17' to the Point of Beginning; thence continue North 38° 56' 30" East a distance of 63.00' to a point; thence North 51° 03' 30" West a distance of 11.75' to a point; thence North 38° 56' 30" East a distance of 83.65' to a point; thence North 51° 03' 30" West a distance of 145.54' to a point; thence North 38° 56' 30" East to a point on the East right-of-way line of Marion Street (a 25' R/W as vacated per O.R.B. 190, Page 0106, of the Public Records of Flagler County, Florida) a distance of 36.42'; thence North 87° 35' 35" East along the North line of Tract 11, Block "C" as shown on map of Bunnell Development Company Subdivision per Plat Book 1, Page 1, of the Public Records of Flagler County, Florida, a distance of 40.24' to a point; thence South 51° 03' 30" East a distance of 268.83' to a point; thence South 40° 16' 00" West a distance of 209.71' to a point; thence North 51° 00' 00" West a distance of 136.91' to the Point of Beginning, containing 0.91 acres more or less.

EXHIBIT "D"Ownership of Common Elements - Phase I

<u>Unit</u>	<u>Percentage of Ownership</u>
1	16.648%
2	16.664%
3	16.664%
4	16.696%
5	16.528%
6	16.800%

EXHIBIT E

OFF 11/15/03 PAGE 021
REC

ARTICLES OF INCORPORATION OF
COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC.
(A Corporation Not For Profit)

The undersigned associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, and certify as follows:

I. NAME

The name of the corporation will be the COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC., hereinafter called the "Association", with its principal place of business located at 900 Canakaris, Dunnell, Florida, 32010, Flagler County, Florida. *3 changed*

II. PURPOSE

The purpose for which the Association is organized is to provide an entity, pursuant to the Condominium Act, Chapter 718, Florida Statutes, hereinafter called the "Act", for the operation of the Condominium to be established by Hospital Corporation of America, hereinafter called "Developer", upon land in Flagler County, Florida.

The Association will make no distribution of income to its members, as defined in Article IV hereof, or to its directors or officers. The Association shall have perpetual existence.

III. MEMBERS

The members of the Association will be all record owners of units in the Condominium as designated and declared by Developer. After termination of the Condominium, members will consist of those who were members of the terminated Condominium at the time of such termination, their successors and assigns, and their respective interests in the condominium property shall be in accordance with the provisions of the Declaration of Condominium.

After receiving approval from the Association, any change in membership will be established by recording in the Public Records of Flagler County, Florida, a deed or other instrument establishing

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record title to a condominium unit and by delivery to the Association of a copy of such instrument. The owner designated by such instrument thereby becomes a member of the Association and the membership of the prior owner is terminated.

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 his unit.

The owner of each unit, as a member of the Association, will be entitled to the number of votes set forth in the Declaration of Condominium to which these Articles of Incorporation are attached.

IV. TERM

The term of the Association shall be perpetual or, if the Condominium is terminated, the term shall end as soon after termination of the Condominium as its affairs can be concluded.

V. SUBSCRIBERS

The names and addresses of the subscribers of these Articles of Incorporation are as follows:

NAMES	ADDRESSES
JIM POUCHER	500 Canakaris Avenue Bunnell, FL 32010
JOHN OLIVARI	500 Canakaris Avenue Bunnell, FL 32010
NANCY SMITH	500 Canakaris Avenue Bunnell, FL 32010

VI. MANAGEMENT

The affairs of the Association shall be administered by the officers designated in the By-Laws of the Association. Said officers shall be elected by the Board of Administration at its first meeting following the annual meeting of the members of the Association and will serve at the pleasure of the Board of Administration.

VII. INITIAL OFFICERS

The names and offices of the officers who will serve until their successors are designated are as follows:

President:	JIM POUCHER
Vice President:	NANCY SMITH
Secretary/Treasurer:	JOHN OLIVARI

VIII. DIRECTORS

The affairs of the Association will be managed by a Board of Directors to be known as the Board of Administration. The number of members of the Board of Administration will be determined by the By-Laws of the Association, but shall not be less than three.

Except as provided herein, members of the Board of Administration will be elected at the annual meeting of the members of the Association in the manner determined by the By-Laws of the Association. Board of Administration members may be removed, and vacancies on the Board of Administration will be filled in the manner provided by the By-Laws of the Association.

The first election of a member of the Board of Administration will not be held until unit owners other than the Developer are entitled to elect a member to said Board in accordance with Florida Statutes 718.301. Subsequent elections shall be held as and when unit owners other than the Developer become entitled to elect another member to the Board of Administration in accordance with said Statute. After control of the Association shall have been turned over to unit owners other than the Developer, members of the Board of Administration shall be elected for one-year terms at the annual meeting of the members of the Association as provided in the By-Laws; provided, however, the Developer or its designated agent shall always be a member of the Board of Administration. Directors named in these Articles will serve until the first election of Directors, and any vacancies in their number occurring before the first election will be filled by the remaining Directors.

The names and addresses of the members of the first Board of Administration who will hold office until their successors are elected and have been qualified, or until removed, are:

NAME	ADDRESS
JIM FOUCHER	900 Canakaris Avenue Bunnell, FL 32010
JOHN OLIVARI	900 Canakaris Avenue Bunnell, FL 32010
NANCY SMITH	900 Canakaris Avenue Bunnell, FL 32010

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IX. BY-LAWS

The first By-Laws of the Association will be adopted by the Board of Administration named herein and may be altered, amended, or added to at any time by the unanimous vote of all of the members of the Board until the first annual meeting of the Association. Thereafter, the By-Laws may be altered, amended, or added to at any duly called meeting of the unit owners in accordance with the Declaration of Condominium and the By-Laws themselves.

X. AMENDMENTS TO ARTICLES

Amendments to these Articles of Incorporation will be proposed and adopted in the following manner:

- A. Notice of the subject matter of a proposed amendment must be included in the notice of any meeting at which a proposed amendment is considered.
- B. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Administration or by members of the Association. Board of Administration members and Association members not present in person or by proxy at the meeting considering the amendment may express their approval or disapproval in writing, providing such writing is delivered to the Secretary at or prior to the meeting.
- C. Proposed amendments will be passed upon approval of the members of the Association, with the number of votes being cast as specified in Article IX A of the Declaration of Condominium.
- D. Provided, however, that no amendment may make any changes in the qualifications for membership, nor the voting rights of members, without approval in writing by all members and the joinder of all record holders of all liens affecting any of the condominium parcels. No amendment may be made that is in conflict with the Act or the Declaration of Condominium.

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- E. A copy of each amendment shall be certified by the Secretary of State, State of Florida, and recorded in the public records of Flagler County, Florida.

XI. POWERS

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

- A. The Association shall have all the powers of a corporation not for profit that are not in conflict with the terms of these Articles.
- B. The Association shall have all the powers and duties set forth in the Act, except as limited by these Articles and the Declaration of Condominium for the condominium operated by the Association, and it shall have all of the powers and duties reasonably necessary to operate said condominium pursuant to the Declaration of Condominium as it may be amended from time to time, including, but not limited to, the following:
1. To make and collect assessments against members in order to defray the common expenses and losses of the condominium.
 2. To use the proceeds of assessments in the exercise of its powers and duties.
 3. To maintain, repair, replace, and operate the condominium property.
 4. To purchase insurance for the condominium property and for the protection of the Association and its members as unit owners.
 5. To reconstruct improvements after casualty and to further improve the condominium property.
 6. To make and amend reasonable regulations regarding the use of the condominium property.
 7. To approve or disapprove the transfer, mortgage, and ownership of units as may be provided by the Declaration of Condominium and the By-laws of the Association.

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8. To enforce by legal means the provisions of the Act, the Declaration of Condominium, these Articles, the By-Laws of the Association, and the Regulations for the use of the condominium property.
9. To contract for the management and operation of the condominium, including the common elements, and thereby to delegate all powers and duties of the Association except such as are specifically required to have approval of the Board of Administration or the membership of the Association.
10. To lease such portions of the common elements of the condominium property as are susceptible to separate management and operation.
11. To employ personnel to perform the services required for the proper management and operation of the condominium.
12. To sue or be sued.
13. To purchase units in the condominium and to purchase other interests in real or personal property and to hold, lease, or mortgage same, subject to the provisions of the Declaration and the By-Laws. The expenses incurred in the maintenance, operation, and taxes of any such property shall be common expenses of the Association.

XIII. INDEMNIFICATION


The Association shall indemnify every member of the Board of Administration and every officer, his heirs, personal representatives and assigns against all losses, costs, and expenses reasonably incurred by him in connection with any action, suit, or proceeding to which he may be a party by reason of his being or having been a Director or officer of the Association, including reasonable attorney's fees, except as to matters wherein he shall be finally adjudged in such action, suit, or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing

rights shall be in addition to, and not exclusive of, all other rights to which such Director or officer may be entitled. The Board may, as and when available, obtain officers' and directors' liability insurance, and the cost of same shall be a common expense.


XIII. REGISTERED AGENT


The Registered Agent to accept service of process within this State for said corporation shall be JIM POUCHER.

Having been named to accept service of process for the above-stated corporation at the place designated herein, I hereby accept responsibility to act in this capacity and agree to comply with the provisions of said Act relative to keeping open said office.


JIM POUCHER, Registered Agent

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 22 day of April, 1982.

 (SEAL)
JIM POUCHER

 (SEAL)
JOHN OLIVARI

 (SEAL)
NANCY SMITH

EXHIBIT "B"

BY-LAWS

OF

COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC.
(An Incorporated Non-Profit Association)

I. GENERAL

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

The Association is an incorporated non-profit association organized and existing pursuant to Florida Statute 718.111, et seq., for the purpose of administering the aforesaid Condominium.

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

Section 2. Corporate Seal. The seal of the Association will bear the name of the corporation, the word "Florida", the words "corporation not for profit", and the year of the incorporation, an impression of which is as follows:



II. MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Membership in the Association shall be limited to owners of the units as identified in the Declaration of Condominium to which these By-Laws are attached. Transfer of unit ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership shall become vested in the transferee. If unit ownership is vested in more than one person or in a corporation, then the owner of that unit shall, in accordance with Section 5 of this Article II, designate one person as the voting member, and the vote of a unit shall be cast only by the "voting member."

Section 2. Voting.

(a) The owner of each unit shall be entitled to the number of votes equal to the number which represents each unit owner's interest in the common elements and share of the projected operating budget for common expenses of the Condominium, expressed as a percentage on Exhibit "C" to the Declaration of Condominium. The total number of votes in the Association shall be One Hundred (100), which shall constitute 100% of the voting membership. If a unit owner owns more than one (1) unit, he shall be entitled to the total number of votes computed according to the above-described method. The vote for each unit shall not be divisible.

(b) A majority of the unit owners' votes present either in person or by proxy at any meeting of the members of the Association shall decide any question unless the By-Laws or the Declaration of Condominium provide otherwise, in which event such other voting percentages shall control.

Section 3. **Quorum.** Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the unit owners' total votes, subject to Section 5 of this Article II, shall constitute a quorum. The term "majority of the unit owners' total votes" shall mean unit owners holding more than fifty percent (50%) of the total number of votes in the Association.

Section 4. **Proxies.** Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5) in the presence of two subscribing witnesses and shall be filed with the Secretary prior to the meeting in which they are to be used and shall be valid only for the particular meeting designated therein. Unwitnessed proxies shall not be valid for any purpose.

Section 5. **Designation of Voting Member.** If a unit is owned by one person, his right to vote shall be established by the recorded title to the unit. If a unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated in a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, the officer or employee thereof entitled to cast the vote of the unit for the corporation shall be designated in a certificate for this purpose signed by the President or Vice President and attested to by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a unit shall be known as the "voting member." If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one person or by a corporation, the vote of the unit concerned shall not be considered in determining the requirement for a quorum or for any purpose requiring the approval of a person entitled to cast the vote for the unit. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned.

III. MEETING OF THE MEMBERSHIP

Section 1. **Time.** Unit owners shall meet at least once in each calendar year, and such meeting shall be the annual meeting. The annual members' meeting shall be held at 8:00 p.m. local time on the first Monday in September of each year for the purpose of electing members of the Board of Administration and transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Monday.

Section 2. **Place.** All meetings of the Association membership shall be held at the Condominium property or at such other place and at such time (except for the annual meeting) as shall be designated by the Board of Administration of the Association and stated in the notice of the meeting.

Section 3. **Notice.** Except as otherwise provided in Article VI, Section 4 (c) hereof, it shall be the duty of the Secretary of the Association to deliver a written notice of each annual or special meeting, stating the time and place thereof, to each unit owner of record at least fourteen (14) days prior to such meeting, and the Secretary shall also post in a conspicuous place on the Condominium property a notice of each meeting at least fourteen (14) days prior to said meeting. Notice of any special meeting shall state the purpose thereof. All notices shall be served at the address of the unit owner as it appears on the books of the Association. Unit owners may waive notice of specific meetings.

Section 4. **Meetings and Minutes.** Meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or Secretary at the written request of a majority of the Board of Administration or at the written

David
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request of voting members representing a majority of the unit owners' total votes, which request shall state the purpose of the proposed meeting. Business transacted at all meetings shall be confined to the objectives stated in the notice thereof. Minutes of all meetings of unit owners shall be taken and kept in a business-like manner and shall be available for inspection by unit owners and the Board of Administration at all reasonable times. Minutes of all meetings shall be retained for a period of not less than seven (7) years.

Section 5. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and voting of members may be dispensed with if voting members holding not less than nine-tenths (9/10) of the votes entitled to be cast upon the action (if such meeting were held) shall consent, in writing, to such action being taken; provided, however, that notice of such action shall be given to all members.

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

Section 7. Meeting Agenda. The order of business at annual meetings of the members of the Association and, as far as practical, at other meetings of the membership shall be:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of Inspectors of Elections.
- (g) Election of Board members.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

Section 8. Balloting. Balloting shall either be by voice, hand, or written ballot as determined by a majority of the votes present in person or proxy at any meeting of the membership.

IV. BOARD OF ADMINISTRATION

Section 1. Number, Term, and Qualifications. The affairs of the Association shall be governed by a Board of Administration composed of three persons. All members of the Board shall be members of the Association; provided, however, that the Developer or his authorized agent shall at all times be a member of the Board. All officers of a corporate unit owner shall be deemed to be members of the Association so as to qualify to be a Board member herein. The term of each Board member's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner provided for in Section 2 below. All Board members shall be elected at each annual meeting of the members by a majority vote of the members as defined in Article II, Section 3, hereof.

Section 2. Removal of Board Members. At any duly convened regular or special meeting, any one or more of the Board members may be removed, with or without cause, by the affirmative vote or agreement of the voting members casting not less than a majority of the total eligible votes of the entire membership of the Association, and a successor may then and there be elected to fill the vacancy thus created for the balance of the unexpired term. Should the membership fail to elect said successor, the Board of Administration may fill the vacancy in the manner provided in Section 3 below. No member of the Board who is designated by the Developer may be removed by the members of the Association in accordance with this

Section 2 except for willful or intentional misconduct. A special meeting of the unit owners to remove a member or members of the Board of Administration may be called by unit owners holding at least fifteen percent (15%) of the votes of the Association giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the time, place, and purpose of the meeting.

Section 3. Vacancies in Board. If there is a vacancy in the Board of Administration by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining Board members shall choose a successor or successors (unless a successor has been chosen pursuant to Section 2 above) who shall hold office for the balance of the unexpired term in which such vacancy occurred, or such vacancy may remain unfilled unless the number of remaining Board members is less than two. The election held for the purpose of filling said vacancy may be held at any meeting of the Board of Administration.

Section 4. Disqualification and Resignation of Board Members. Any Board member may resign at any time by sending a written notice of such resignation to the office of the Association, to the attention of the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. The transfer of title to his unit by a Board member shall automatically constitute a resignation, effective as of the date of transfer, except as to a Board member designated by the Developer. No member shall continue to serve on the Board who is more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation effective as of the thirty-first (31st) day of delinquency.

Section 5. Meetings. Meetings of the Board of Administration may be called by the President and, in his absence, by the Vice President, or by a majority of the members of the Board of Administration by giving forty-eight (48) hours notice to all the members of the Board of Administration and by posting same conspicuously on the condominium property forty-eight (48) hours in advance of the meeting. Notices shall not be required if any emergency exists. All notices for such meetings shall state the time, place, and purpose of the meeting. Meetings of the Board of Administration shall be open to all unit owners, but unit owners shall not have a right to participate therein. Minutes of all meetings of the Board of Administration shall be taken and kept in a businesslike manner and shall be available for inspection by unit owners and Board members at all reasonable times. Minutes of all Board meetings shall be retained for a period of not less than seven (7) years.

Section 6. Directors' Waiver of Notice. Before or at any meeting of the Board of Administration, any Director may waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Board member at any meeting of the Board of Administration shall be a waiver of notice by him of the time and place thereof. If all the Board members are present at any meeting of the Board, no notice to Board members shall be required, and any business may be transacted at such meeting. Nothing contained in this Section 6 shall affect the requirement of Section 5 that notices of Board meetings be posted conspicuously on the condominium property.

Section 7. Quorum. At all meetings of the Board of Administration, a majority of the Board shall constitute a quorum for the transaction of business, and the acts of the majority of the Board present at such meeting at which a quorum is present shall be the acts of the Board of Administration. If at any meeting of the Board of Administration there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, the business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Board member in the action of a meeting by signing and concurring in the minutes thereof shall

constitute the presence of such Board member for the purpose of determining a quorum.

Section 8. Powers and Duties. The Board of Administration shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, by the Declaration of Condominium, or by these By-Laws directed to be exercised and done by the unit owners. The Board shall have authority to enter into management contracts which delegate some or all of the powers and functions of the Board to the management entity, to the extent such delegation is allowed by law.

V. OFFICERS

Section 1. Elected Officers. The principal officers of the Association shall be a President, Vice President, and Secretary/Treasurer, all of whom shall be elected by the Board of Administration. Any person may hold more than one office, provided that no one person shall hold the office of President and Secretary simultaneously. Officers, other than the President, need not be members of the Board of Administration.

Section 2. Election. The officers of the Association shall be elected by the Board of Administration at the organizational meeting of each new Board following the annual meeting of the members.

Section 3. Appointed Officers. The Board may appoint Assistant Secretaries, Assistant Treasurers, and such other officers as the Board deems necessary from time to time.

Section 4. Term of Office. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Administration may be removed at any time, with or without cause, by the Board; provided, however, that no officer shall be removed except by an affirmative vote for removal by a majority of the whole Board of Administration.

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

Section 6. The Vice President. The Vice President shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Administration.

Section 7. The Secretary/Treasurer. The Secretary/Treasurer shall issue notices of all meetings of the Board and all meetings of the unit owners, and he shall have charge of the Association's books, records, and papers.

(a) The Secretary/Treasurer shall have custody of the Association's funds and securities and shall keep full and accurate accounts of all receipts and expenditures in books belonging to the Association and shall deposit all receipts in such depositories as may be designated from time to time by the Board of Administration of the Association. The accounting records of the Association shall be kept by the Secretary/Treasurer in accordance with Florida Statute 718.111 (7)(a) and (b).

(b) The Secretary/Treasurer shall disburse the funds of the Association as may be ordered by the Board of Administration.

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tion, making proper vouchers for such disbursements, and shall render to the President and the Board of Administration at the regular meetings of the Board of Administration, or whenever they may require it, an account of all of his transactions as Secretary/Treasurer and of the financial condition of the Association.

- (c) He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Administration of the Association.
- (d) He shall give status reports to potential transferees, on which reports the transferees may rely.

VI. FISCAL MANAGEMENT

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by resolution of the Board of Administration from time to time and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the said Board of Administration.

Section 2. Fidelity Bonds. The Treasurer and all other officers and employees of the Association who are authorized to sign checks, and any contractor handling or responsible for Association funds, shall be bonded in such amount as may be determined by the Board of Administration. The premiums on such bonds shall be paid by the Association. The bonds shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account. No bond shall be required for any officer who is also a Board member designated by the Developer.

Section 3. Fiscal Year. The fiscal year of the Association shall be the calendar year; provided, however, that the Board of Administration is expressly authorized to change to a different fiscal year at such times as the Board of Administration deems advisable or advantageous.

Section 4. Determination of Assessments.

- (a) The Board of Administration of the Association shall fix and determine, from time to time, the sum or sums necessary and adequate for the common expenses of the condominium.

Common expenses shall include expenses for the operation, maintenance, repair, replacement, or taxes of the common elements and land owned by the Association, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as common expenses from time to time by the Board of Administration of the Association under the provisions of the Declaration of Condominium to which these By-Laws are attached or under the Condominium Act. The Board of Administration is specifically empowered, on behalf of the Association, to make and collect assessments and to lease, maintain, repair, and replace the common elements of the condominium property. Funds for the payment of common expenses shall be assessed against the unit owners in the manner provided for sharing common expenses as set forth in the Declaration of Condominium. Said assessments shall be payable quarterly in advance on the first day of each calendar quarter unless otherwise ordered by the Board of Administration. In no event, however, shall assessments be made against unit owners less frequently than quarterly in amounts less than are required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of

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the unpaid operating expenses previously incurred. Special Assessments, should such be required by the Board of Administration, shall be levied in the same manner as heretofore provided for regular assessments and shall be payable in the manner determined by the Board of Administration.

- (b) When the Board of Administration has determined the amount of any special assessment, the Treasurer of the Association shall mail or present to each unit owner a statement of said unit owner's assessment. Quarterly or other regular periodic assessments shall be due without notices by the Association as long as the amounts and due dates have been communicated to the unit owners in writing at the time they are determined.
- (c) The Board of Administration may, if it desires, adopt a budget for each fiscal year for the estimated funds required to defray the common expenses, including, without limitation thereto, (i) current expenses, which shall include all receipts and expenditures within the year for which a budget is made, including a reasonable allowance for contingencies and working funds (except expenditures chargeable to reserves, additional improvements, or past losses), (ii) amounts sufficient to cover past losses, (iii) a reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence, (iv) betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common elements, and (v) operations, which includes all other expenses of every nature of the Association. The Board of Administration shall mail a meeting notice (including time and place) and copies of the proposed annual budget of common expenses to the unit owners not less than thirty (30) days prior to the meeting at which the Board of Administration shall consider the budget, and such meeting shall be open to the unit owners. If a budget is adopted by the Board of Administration which requires assessment against the unit owners in any fiscal or calendar year exceeding 115% of such assessments for the preceding year, upon written application of ten percent (10%) of the unit owners a special meeting of the unit owners shall be held upon not less than ten (10) days written notice to each unit owner, but within thirty (30) days of the delivery of such application to the Board of Administration, at which special meeting unit owners shall consider and enact a revision of their budget. The revision of the budget shall require a vote of not less than two-thirds (2/3) of all votes eligible to vote. The Board of Administration may, in any event, propose a budget to the unit owners at a meeting of the members or by writing and, if such budget or proposed budget shall be approved by the unit owners at the meeting or by a majority of their whole number by a writing, such budget shall be adopted and shall not thereafter be re-examined by the unit owners in the manner hereinabove set forth. In determining whether assessments exceed 115% of similar assessments in prior years, there shall be excluded from the computation any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis, and assessments for betterments to the condominium property. However, as long as the Developer is in control of the Board of Administration, the Board shall not impose an assessment for any year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of all unit owners.

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Section 5. Application of Payments and Commingling of Funds. All sums collected by the Association from assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board of Administration. All assessment payments by unit owners shall be applied to interest, delinquencies, costs, attorneys' fees, and other charges, expenses, and advances as provided herein and in the Declaration of Condominium, and general and special assessments in such manner and amounts as the Board of Administration shall determine.

Section 6. Acceleration of Assessment Installments Upon Default. If a unit owner shall be in default in the payment of an installment upon any assessment for more than twenty-one (21) days, the Board of Administration may declare all estimated assessments for the next twelve (12) months due from said unit owner to be immediately due and payable, and the Association shall have a lien therefor on all such amounts, plus collection costs, including attorneys' fees, as provided in Article XII C of the Declaration to which these By-Laws are attached.

VII. ADDITIONS OR ALTERATIONS

There shall be no additions or alterations to the common elements of the condominium property which this Association operates and maintains except with the approval of unit owners holding a majority of the votes in the Association, except as otherwise provided in Article XVI of the Declaration to which these By-Laws are attached.

VIII. COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation (other than the non-payment of assessments) by the unit owner of any of the provisions of the Declaration of Condominium, these By-Laws, or the applicable portions of the Condominium Act, the Association, by direction of its Board of Administration, may notify the unit owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty (30) days from the date of the notice, the Association, through its Board of Administration, shall have the right to treat such violation as an intentional, inexcusable, and material breach of the Declaration, its By-Laws, or the pertinent provisions of the Condominium Act, and the Association may then, at its option, have the following elections:

- (a) an action at law to recover the damages on behalf of the Association or on behalf of the other unit owners;
- (b) an action in equity to enforce performance on the part of the unit owner, and/or
- (c) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Any violations which are deemed by the Board of Administration to be a hazard to the public health may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the unit owner as a specific item, which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expenses attributable to the unit.

Section 2. Negligence or Carelessness of Unit Owner. Each unit owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or by that of any member of his family, of his or their guests, employees, business invitees, agents, or lessors, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rate occasioned by the use, misuse, occupancy, or abandonment of any unit or its appurtenances. Nothing

herein contained, however, shall be construed so as to modify any waiver by insurance companies of right of subrogation. The expense for any maintenance, repair, or replacement required as provided in this Section shall be charged to said unit owner as a specific item, which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expenses attributable to the unit.

Section 3. Costs and Attorneys' Fees. In any proceeding involving the Association arising because of an alleged breach by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

Section 4. No Waiver of Rights. The failure of the Association or of a unit owner to enforce any right, provision, covenant, or condition which may be granted by the condominium documents shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant, or condition in the future.

Section 5. No Election of Remedies. All rights, remedies, and privileges granted to the Association or unit owners pursuant to any terms, provisions, covenants, or conditions of the condominium documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be granted to such other party by condominium documents or at law or in equity.

IX. ACQUISITION OF UNITS

Section 1. Voluntary Sale or Transfer. Upon receipt of a unit owner's written notice of intention to sell or lease as described in Article XIII of the Declaration of Condominium, the Board of Administration shall have full power and authority to consent to the transaction as specified in said notice or object to same for good cause or to designate a person other than the Association as designee, pursuant to the provisions of said Article XIII, without having to obtain the consent of the membership thereto. The Board of Administration shall have the further right to designate the Association as being willing to purchase, lease, or rent upon the proposed terms after adoption of a resolution by the Board of Administration. The Association shall not be bound and shall not so purchase or lease except after the authorization and approval by the unanimous vote of the members of the Association. To the extent that any inconsistency exists between the provisions of this Section of the By-Laws and Article XIII of the Declaration of Condominium to which these By-Laws are attached, the provisions of Article XIII of the Declaration shall supersede the provisions herein related thereto.

Section 2. Acquisition on Foreclosure. At any foreclosure sale of a unit, the Board of Administration may, with the authorization and approval by the affirmative vote of not less than sixty percent (60%) of the total votes of the voting members at any regular or special meeting of the unit owners wherein said matter is voted upon, acquire in the name of the Association or its designees, a condominium parcel being foreclosed. The term "foreclosure" as used in this Section shall mean and include any foreclosure of any lien or encumbrance, excluding a lien for assessments or other lien existing in favor of the Association. The power of the Board of Administration to acquire a condominium parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Administration or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power of the Board of Administration to do so should the requisite not be required to obtain the approval of unit owners in order to acquire a

condominium parcel in the name of the Association or its designee at a foreclosure sale held due to the foreclosure of any lien in favor of the Association arising under or pursuant to the provisions of the Declaration of Condominium to which these By-Laws are attached or these By-Laws.

X. AMENDMENTS TO THE BY-LAWS

These By-Laws may be altered, amended, or added to by the affirmative vote of nine-tenths (9/10) of the members of the Board of Administration until the first annual meeting of the Association; thereafter, they may be altered, amended, or added to at any duly called meeting of the unit owners, provided:

- (1) Notice of the meeting shall contain a statement of the proposed amendment.
- (2) The amendment shall be approved by the unanimous vote of all unit owners.
- (3) The amendment shall be in form required by the Condominium Act and shall be recorded and certified as required by the Condominium Act after such recordation in the public records of Flagler County, Florida.

XI. NOTICES

Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices set forth in the Declaration of Condominium.

XII. INDEMNIFICATION

The Association shall indemnify every member of the Board of Administration and every officer, his heirs, personal representatives, and assigns against all losses, costs, and expenses reasonably incurred by him in connection with any action, suit, or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, including reasonable attorneys' fees, except as to matters wherein he shall be finally adjudged in such action, suit, or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Board member or officer may be entitled. The Board may, as and when available, obtain officers' and directors' liability insurance, and the cost of same shall be a common expense.

XIII. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any former unit owner from any liability or obligation incurred or in any way connected to said unit owner's condominium unit during the period of such ownership and membership, nor shall such termination impair any rights or remedies which the Association may have against such former unit owner arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

XIV. LIMITATIONS OF LIABILITY

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

XV. PARLIAMENTARY RULES

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

XVI. LIENS AND ENCUMBRANCES

Section 1. Protection of Property. All liens and encumbrances against a unit, other than for permitted mortgages, taxes, or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date of lien and/or encumbrance attached. All taxes and special assessments upon a unit shall be paid before becoming delinquent as provided in these condominium documents or By-Laws, whichever is sooner.

Section 2. Notice of Lien or Encumbrance. A unit owner shall give notice to the Association of every lien and encumbrance upon his unit, other than for permitted mortgages, taxes, and special assessments, within five (5) days after the attaching of the lien or encumbrance.

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

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

XVII. MISCELLANEOUS

Section 1. Paragraph Headings; Gender. The table of contents and paragraph headings are inserted merely for convenience of reference and are not to be construed to enlarge, diminish, or modify the terms hereof. References to numbered paragraphs are to paragraphs of these By-Laws unless specifically stated to the contrary. Wherever contained herein and when the context so requires, the singular shall refer to the plural and the plural to the singular. The gender used shall be deemed to include each other gender as appropriate.

Section 2. Severability. In the event of the invalidity of any provision hereof, same shall be deemed stricken from these By-Laws, which shall continue in full force and effect as if the offending provision was never a part hereof.

Section 3. Compensation. No member of the Board of Administration or officer of the Association shall be entitled to any compensation for services rendered in such capacity. However, members of the Board and officers shall be entitled to reimbursement for any money reasonably spent by them, as the Board of Administration may determine, in furtherance of the purposes of the Association.

Section 4. Delegation of Authority. Nothing contained in these By-Laws shall prevent or inhibit the Board of Administration from delegating any or all of its functions either to committees of the Board of Administration or to independent third party contractors or management companies to the extent permitted by the Condominium Act.

Section 5. Rules and Regulations. The Board of Administration may, from time to time, promulgate reasonable rules and regulations regarding conduct upon the condominium property, use thereof, or other matters affecting the operation of the condominium, provided, however, that no such rule or regulation shall be in conflict with the Declaration of Condominium or these By-Laws, and

no such rule or regulation shall prejudice the rights of any Mortgagee of Record or alter any substantive right vested in any unit owner.

The foregoing were adopted as the By-Laws of the COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC.; a corporation not for profit chartered under the laws of the State of Florida, at the first meeting of the Board of Administration on the 21 day of April, 1982.

COMMUNITY HOSPITAL PROFESSIONAL
CONDOMINIUMS ASSOCIATION, INC.,
a Florida corporation

By: John Olivari
JOHN OLIVARI, Secretary

Approved by:

Jim Poucher
JIM POUCHER, President

EXHIBIT "C"

PREPARED BY: RONALD R. RICHMOND, ESQUIRE
Martin, Richmond, Booth & Cook
Post Office Box 786
New Port Richey, FL 33552-0042

CONTRACT FOR SALE OF CONDOMINIUM UNIT

THIS CONTRACT entered into this _____ day of _____, 19____, by and between HOSPITAL CORPORATION OF AMERICA, a Tennessee corporation, hereinafter referred to as "Seller", and _____, hereinafter referred to as "Purchaser".

In consideration of the mutual covenants contained herein, the parties hereto covenant and agree as follows:

1. Seller agrees to sell and Purchaser agrees to purchase that certain condominium unit in Building _____, Unit _____, and an undivided interest or share in the common elements appurtenant thereto, in accordance with and subject to the covenants, conditions, restrictions, easements, terms, and other provisions of the DECLARATION OF CONDOMINIUM of the COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS OF BUNNELL.

2. The terms and conditions of sale are as follows:

TOTAL PURCHASE PRICE: _____ (\$ _____)
DEPOSIT: _____ (\$ _____)
BALANCE DUE AT CLOSING: _____ (\$ _____)

3. This conveyance is subject to such easements for sewer, water, and utility lines as exist of record and such restrictive covenants, applicable government regulations, and planning and zoning ordinances relating to said property that affect its use, improvements, enjoyment, and maintenance.

4. The parties hereto agree that the sum of _____ (\$ _____) earnest money has been paid by Purchaser to the Seller on account of the purchase price of the property, it being expressly agreed that such earnest money shall be forfeited to the Seller should default be made in the payment of the balance of the purchase price upon any of the terms and conditions

hereunder. Seller may, in addition, enforce specific performance or pursue any other remedy available to Seller at law or equity in the event of default by Purchaser under the terms of this contract; provided, if Purchaser diligently and reasonably attempts to cure default and it occurs prior to closing, but is unable to do so after a reasonable time after notice of default, Purchaser shall forfeit the earnest money deposit but shall not incur any further liability under this contract. This paragraph contemplates that Purchaser will be given a reasonable time to cure any default and closing may be delayed therefore, but no longer than thirty (30) additional days after the closing is due.

5. This contract shall be closed and the deed and possession shall be delivered on or before _____, 19____, unless extended by other provisions of this contract.

6. Seller agrees to furnish to the Purchaser by special warranty deed a good and insurable title free and clear of all liens and encumbrances, subject only to the exceptions listed in paragraphs _____ hereof and to standard title insurance exceptions. The title insurance shall be furnished by the Seller to the Purchaser at Purchaser's expense. Other than the hereinbefore exceptions, should the title have a defect that should make the property unacceptable to the Purchaser, the Seller shall cure same at its own expense. If Seller diligently and reasonably attempts to cure the defect but is unable to do so within a reasonable period of time after receiving notice of the defect, the Seller shall refund the earnest money deposit and incur no further liability under this contract. In the event Seller refuses to cure the defect, if the cure can be effected through diligent, reasonable means, and thus fails to convey good and insurable title to the Purchaser as a result thereof or otherwise refuses to convey title to Purchaser, then Purchaser shall be entitled to pursue any remedy at law or equity available as a result of the Seller's default. This paragraph also contemplates a reasonable time to cure the defect, but for no longer than thirty (30) additional days after the closing is due.

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7. Purchaser shall pay all costs and fees incident to the closing, including state surtax and documentary stamps which are required to be affixed to the instrument of conveyance, documentary stamps to be affixed to notes or mortgages secured by purchase money mortgages, cost of recording the deed, cost of recording the mortgage, and intangible personal property tax on any purchase money mortgage. Ad valorem taxes shall be prorated as of the date of closing.

8. It is agreed that the condominium property is and shall be limited to the maintenance and operation of a medical office building for the care and treatment of human beings by licensed medical doctors and parking facilities incidental thereto. Ownership and occupancy of units shall be only by such licensed medical doctors. Specifically excluded is a commercial laboratory and a commercial X-ray laboratory; however, this shall in no way restrict any occupant of the aforesaid office building from maintaining and performing his own individual laboratory and X-ray procedures for his patients. "Commercial laboratory" and "commercial X-ray" are defined for purposes of this contract as including, but not limited to, any laboratory or X-ray work performed by an occupant of the building for any other occupant of the building or for any third party. This paragraph shall be a covenant running with the land and shall be binding until such time as HOSPITAL CORPORATION OF AMERICA or its subsidiary ceases to operate an acute care hospital adjacent to the property to be sold herein.

9. The condominium building will be used solely for offices of physicians who are members in good standing of the medical staff of HOSPITAL CORPORATION OF AMERICA's, or its subsidiary's, nearby hospital and the employees of such physicians. This paragraph shall be a covenant running with the land and shall be binding until such time as HOSPITAL CORPORATION OF AMERICA or its subsidiary ceases to operate an acute care hospital adjacent to the property to be sold herein.

10. Purchaser further covenants that Seller shall have the right of first refusal to purchase the subject property or any portion thereof which may be offered for sale by the Purchaser. It

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is understood and agreed by the parties that the Purchaser may organize into a partnership, assign any or all of its rights under this contract to a related entity or to members of Purchaser's family or to trusts, or to make other transfers, but not to an unrelated entity, which may be in the best interest of the Purchaser for business reasons without the same being considered a sale or an offer to sell the subject property; provided, however, Purchaser agrees that in the event of such transfer the property shall, as to any sale or future sale, remain subject to Seller's right of first refusal. The term "related entity" shall mean one in which at least fifty percent (50%) of the voting power is in one or more of the Purchasers or members of the Purchaser's family. In the event of exercise of the right of first refusal, unless otherwise agreed, the consideration to be paid by the Seller to the Purchaser shall be an amount equal to the best price which an able third party has, in good faith, offered to pay for the property and on terms no less favorable to the Purchaser than those offered by the good faith offeror. Seller shall have thirty (30) days within which to advise Purchaser of Seller's decision to buy or not to buy the property after receiving written notice from the Purchaser of the price and terms which he has been offered for the property.

11. All covenants and conditions with respect to either the Seller or the Purchaser shall survive the closing.

12. There is no broker's or agent's fee or commission included in this transaction.

13. Notice, if required by any provision hereof, shall be deemed given on the date of postmark of first class letter containing same, deposited in the United States mail:

If to Seller, address to: HOSPITAL CORPORATION OF AMERICA
Attention: Vice Pres.--Real Estate
One Park Plaza
Nashville, TN 37203

If to Purchaser, address to: _____

14. This contract is binding upon the heirs, personal representatives, successors, and assigns of the respective parties.

15. This contract shall be governed and construed in accordance with the laws of the State of Florida.

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16. Seller may assign any one or all of its rights and obligations hereunder without Purchaser's consent.

IN WITNESS WHEREOF, the parties have executed this contract on the date first above written.

Signed, sealed, and delivered
in the presence of:

HOSPITAL CORPORATION OF AMERICA,
a Tennessee corporation

By: _____
Title: _____

Signed, sealed, and delivered
in the presence of:

PURCHASER

PURCHASER

EXHIBIT C-1

PREPARED BY: RONALD R. RICHMOND, ESQUIRE
Martin, Richmond, Booth & Cook
Post Office Box 786
New Port Richey, FL 33552-0042

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REC.MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into by and between the COMMUNITY HOSPITAL PROFESSIONAL CONDOMINIUMS ASSOCIATION, INC., hereinafter called "the Association", and HOSPITAL CORPORATION OF AMERICA, hereinafter called "Manager".

W I T N E S S E T H:

WHEREAS, the Association is a non-profit corporation organized for the administration and operation of the Community Hospital Professional Condominiums of Bunnell, and

WHEREAS, the condominium requires the employment of a manager;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and other considerations herein contained, the parties agree as follows:

1. Definitions. The terms used herein shall have the same meanings as set forth in the Declaration of Condominium unless the context otherwise requires.

2. Employment. The Association does hereby employ the Manager as the exclusive Manager of the condominium property and all leased property, and the Manager hereby accepts such employment.

3. Term. Unless sooner terminated as elsewhere herein provided, this Agreement shall commence on the date the Declaration of Condominium of the Community Hospital Professional Condominium is recorded and shall continue thereafter for a period of one (1) year. This Agreement may be terminated by the Manager upon ninety (90) days written notice to the Association. Termination of any of the condominiums or of the Association shall not terminate this Agreement, but shall operate to make each condominium unit owner a signatory to it in place and in stead of the Association; provided, however, in no event shall a condominium unit owner be liable for

any greater portion of the Manager's compensation than that amount for which he would have been liable in the event a condominium or the Association had not been terminated.

4. Powers and Duties of Manager. The Manager shall exercise on behalf of the Association all of the powers and duties of the Association as set forth in the Declaration of Condominium and in the Articles and By-Laws of the Association, excepting only such powers and duties as are specifically reserved to and required to be exercised by the Directors or members of the Association. By way of illustration of the Manager's powers and duties, and not in limitation thereof, the Manager shall:

- A. Confer. Confer freely and fully at reasonable times and upon reasonable notice with the Association's Directors when so required by them in connection with the performance of its duties.
- B. Employees. Select, employ, supervise, direct, and discharge, in its absolute discretion, in its name and/or in the name of the Association as the Manager shall determine, such persons as it may require to fulfill its duties hereunder.
- C. Collect assessments. Collect all regular and special assessments from the Association's members. The Association hereby authorizes the Manager to request, demand, collect, receive, and receipt for any and all assessments and charges which may be due the Association and to take such action in the name of the Association by way of making, recording, satisfying, or foreclosing the Association's lien, therefore initiating legal process, or taking such other action as the Manager may deem necessary or appropriate for the collection of such assessments. The Manager shall furnish the Association with an itemized list of all delinquent accounts immediately following the 20th day of each month.
- D. Repairs and maintenance. Cause the grounds, lands (including leased grounds and lands), and those portions of the

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common elements of the condominiums to be maintained and repaired in accordance with the obligations of such maintenance and repair as is set forth in the Declaration of Condominium, including, but not limited to, landscaping, painting, roofing, cleaning, paving, parking lot maintenance, and repair work as may be necessary; provided, however, the Manager shall not obligate the Association for any single item of repair, replacement, refurbishing, or refurbishing wherein the cost thereof would exceed the sum of One Thousand Dollars (\$1,000.00) without the specific approval of the Board of Directors of the Association, excepting only emergency repairs involving manifest danger to persons or property or immediately necessary for the preservation and safety of the condominium or for the safety of persons, all of which may be made or authorized by the Manager without regard to the cost thereof.

- E. Laws. Take such action as may be necessary to comply with all laws, statutes, ordinances, and rules of all appropriate governmental authorities and with the rules and regulations of the National Board of Fire Underwriters or, if such Board shall terminate its present functions, those of any other body exercising similar functions. The Manager, however, shall not take any action so long as the Association is contesting or has affirmed its intention to contest any such law, statute, ordinance, rule, regulation, order, or requirement pursuant thereto.
- F. Purchase. Purchase equipment, tools, appliances, goods, supplies, and materials as shall be reasonably necessary to perform its duties. Purchases shall be made in the name of the Manager or, in its discretion, in the name of the Association. When making purchases, the Manager shall make a reasonable effort to obtain the best price available, all factors considered, and shall disclose to the Association all discounts, commissions, and rebates.
- G. Insurance. Cause to be placed or kept in force all

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insurance required or permitted by the Declaration of Condominium, to act as agent for the Association, each condominium unit owner, and for each owner of any other insured interest to adjust all claims arising under insurance policies purchased by the Association, to bring suit thereon in the name of the Association and/or other insureds, to deliver releases upon payment of claims, and to otherwise exercise all the rights, powers, and privileges of the Association and each owner of any other insured interest in the condominium property as an insured under such insurance proceeds under minor losses payable to the Association under the Declaration of Condominium.

- H. Association Records. Maintain the Association's minute book and membership list, give notice of membership and Directors' meetings when requested to do so, and maintain all financial record books, accounts, and other records required to be kept by the Association by the Condominium Act, Chapter 718, Florida Statutes, the Declaration of Condominium, or the By-Laws, and issue certificates of account to members without liability for errors unless as a result of gross negligence. Records shall be kept at the office of the Manager and shall be available for inspection at all reasonable times by the Association's Directors. The Manager shall render to the Association and to each of its current members, or their duly authorized representatives, a statement of its receipts and accounts for each calendar year. The Manager shall perform a continual internal audit of the Association's financial records. The Association shall be entitled to such independent audit by such auditors as it shall designate from time to time for the purpose of verifying same. The Manager shall maintain records sufficient to describe its services hereunder and keep financial books and records in accordance with prevailing accounting standards sufficient to identify the source of all funds collected and the disbursement thereof.

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Such records shall be kept in the office of the Manager and shall be available for reasonable inspection by the Association's Directors.

1. **Budget.** Prepare an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the new year based upon the then current schedule of monthly assessments and taking into account the general condition of the Association and the condominium, which budget shall comply with the requirements of the By-Laws. Such budget shall be submitted to the Association in final draft at least thirty (30) days prior to the commencement of the year for which it has been made. The budget shall serve as a supporting document for the schedule of monthly assessments.

5. **Access.** The Manager shall have access to the common elements of the condominium at all times. Further, the Manager shall have access to each condominium unit during reasonable hours as may be necessary for the maintenance, repair, or replacement of any common element therein or accessible therefrom.

6. **Assessments.** Until the Association shall change or modify the same, the monthly assessments to condominium unit owners shall be as set forth in the Declaration of Condominium and the exhibits annexed thereto. The Association agrees that assessments will at all times be maintained so that the amounts produced thereby will be sufficient to provide the money necessary to pay all items set forth herein and to realize a sum sufficient to meet the requirements of the annual budget prepared pursuant to the provisions of this Agreement. The Manager shall not be required to pay any charges or obligations of the Association from its own funds and shall be required to perform its services and make disbursements only to the extent that, and only so long as, revenues received from assessments or other sources on behalf of the Association shall be sufficient to pay the obligations of the Association. In the event it shall at any time appear to the Manager that the assessments and other revenues, if any, of the Association are insufficient to meet

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the obligations of the Association, the Manager shall so notify the Association, and the Association shall thereupon cause the monthly assessments of its unit owners to be increased pursuant to the provisions of the condominium instruments in an amount sufficient to enable the Association to meet its obligations. Failure on the part of the Association to adopt such an increase within a reasonable time after being notified of the necessity thereof by the Manager may, at the option of the Manager, be deemed and treated as a material breach of this Agreement.

7. Application of Collections. All assessments and other revenues, if any, of the Association which the Manager shall collect shall be applied as follows:

- A. Insurance. First to the payment of premiums on insurance policies carried by the Association and the Manager.
- B. Manager. Next, to the payment of the Manager's fee, if any.
- C. Utilities. Next, to the payment for all utilities chargeable against the condominium.
- D. Balance. The balance shall be utilized, applied, disbursed and otherwise expended or reserved by the Manager to pay the costs and expenses of the services rendered by the Manager under this Agreement.

8. Manager's Compensation. As compensation for its services hereunder, the Manager shall receive TWO HUNDRED EIGHTEEN AND 75/100 DOLLARS (\$218.75) per month for each month served. Such compensation shall increase by the sum of TWENTY-SIX AND 25/100 DOLLARS (\$26.25) per month for each year served.

9. Condominium Units. This Agreement does not contemplate, nor is the Manager responsible for or required to perform, the upkeep and repair of the property of a condominium where the responsibility for such upkeep and repair under the Declaration of Condominium is that of a condominium unit owner.

10. Interference. The Association shall not interfere, nor permit, allow, or cause any of its officers, directors, or members to interfere, with the Manager in the performance of its duties or the exercise of any of its powers hereunder.

11. Default. If the Association or its members shall interfere with the Manager in the performance of its duties or the exercise of its powers hereunder, or if the Association shall fail to promptly do any of the things required of it hereunder, including, but not limited to, the assessment of its members is an amount sufficient to defray all expenses of the Association, then the Manager, thirty (30) days after having given written notice to the Association of said default by delivering said notice to any officer of the Association or, in their absence, to any member of the Association, may declare this Agreement in default. Unless such default is cured by the Association within thirty (30) days after such notice, the Manager may, in addition to any other remedy given it by this Agreement, bring an action against the Association for damages and/or for specific performance and/or for such other right or remedy as the law may provide. All of such rights of the Manager in the event of default shall be cumulative, and the exercise of one or more remedies shall not operate to exclude or constitute a waiver of any other additional remedy. In the event of any action at law or in equity by the Manager to enforce its rights under the provisions of this Agreement or seeking damages by reason of any breach by the Association of its rights and obligations hereunder, the Manager shall be entitled, in the event it shall prevail in such litigation, in addition to any other relief provided by law, to the recovery of reasonable attorney's fees and court costs incurred in connection therewith.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their seals affixed this 25th day of May, 1982.

HOSPITAL CORPORATION OF AMERICA,
a Tennessee corporation

By
The



COMMUNITY HOSPITAL PROFESSIONAL
CONDOMINIUMS ASSOCIATION, INC.,
a Florida corporation

By: Jim Karch
Title: President

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FILED & RECORDED
D.R. ROOM 144
JUN 30 11 45
SHELTON COUNTY CLERK
FLAGLER COUNTY, FLA.