#### CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly and acting President of Hematite at Sapphire Lakes Condominium Association, Inc., a Florida corporation not for profit, hereby certifies that at a meeting of the members held on July 15, 2020, where a quorum was present, after due notice, the resolutions set forth below were duly approved by the votes indicated at a meeting duly called for the purpose of amending and restating the Declaration of Condominium of Hematite at Sapphire Lakes, a Condominium, as originally recorded in O.R. Book 2214 at Pages 0528 et seq., of the Public Records of Collier County, Florida, as previously amended, and the Articles of Incorporation and the Bylaws of Hematite at Sapphire Lakes Condominium Association, Inc., which are attached as exhibits to the original Declaration.

1. The following resolution was approved by Unit Owners in excess of 50% of the Units in the Condominium and by not less than 66 2/3% of the Board of Directors of the Association.

RESOLVED: That the Declaration of Condominium of Hematite at Sapphire Lakes, a Condominium, be amended and restated, and the amendment and restatement is adopted in the form attached hereto, and made a part hereof.

2. The following resolution was approved by at least a majority of those present and voting.

RESOLVED: That the Articles of Incorporation of Hematite at Sapphire Lakes Condominium Association, Inc. be amended and restated, and the amendment and restatement is adopted in the form attached hereto, and made a part hereof.

3. The following resolution was approved by at least a majority of those present and voting.

RESOLVED: That the Bylaws of Hematite at Sapphire Lakes Condominium Association, Inc. be amended and restated, and the amendment and restatement is adopted in the form attached hereto, and made a part hereof.

(1) Margaret Engelhardt
Witness
Print Name: Margaret Engelhardt
(2) Markelle Palayguay
Witness

HEMATITE AT SAPPHIRE LAKES CONDOMINIUM ASSOCIATION, INC.

Benito Raia, President 5435 Jaeger Rd. #4 Naples, FL 34109

(CORPORATE SEAL)

# STATE OF FLORIDA COUNTY OF COLLIER

Cynthia Jackson
NOTARY PUBLIC
STATE OF FLORIDA
Comm# GG947615
Expires 1/15/2024

Print, Type, or Stamp Commissioned Name of Notary Public) (Affix Notarial Seal) Signature of Notary Public

This instrument prepared by Robert E. Murrell, B.C.S., The Murrell Law Firm, P.A., 1044 Castello Drive, Suite 106, Naples, FL 34103.

# NOTE: THIS IS A SUBSTANTIAL AMENDMENT OF ENTIRE DECLARATION. FOR PRESENT TEXT SEE EXISTING DECLARATION.

# AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OF HEMATITE AT SAPPHIRE LAKES, A CONDOMINIUM

On August 6, 1996, the original Declaration of Condominium of Hematite at Sapphire Lakes, a Condominium (hereinafter the "Condominium") was recorded in Official Record Book 2214, Page 0528 et seq., of the Public Records of Collier County, Florida and was subsequently amended. That Declaration of Condominium is hereby further amended in part and restated in its entirety herein. This Amended and Restated Declaration supersedes the original Declaration and the prior amendments in their entirety. Sections 17, 18 and 22 are not being amended, but are restated herein as Sections 16, 17 and 18 respectively, with appropriate changes in cross-references.

- 1. <u>SUBMISSION TO CONDOMINIUM OWNERSHIP</u>. This Amended and Restated Declaration of Condominium is made by Hematite at Sapphire Lakes Condominium Association, Inc., a Florida corporation not for profit, hereinafter the "Association". The land described in this Declaration and the improvements located thereon have already been submitted to Condominium ownership and use pursuant to the Florida Condominium Act. No additional property is being submitted to Condominium ownership by this Declaration.
- 2. <u>NAME AND ADDRESS</u>. The name of this Condominium is Hematite at Sapphire Lakes, a Condominium. The mailing address of the Association shall be that of the Management Company presently under contract by the Association or the mailing address according to the Florida Division of Corporations.
- 3. <u>DESCRIPTION OF CONDOMINIUM PROPERTY</u>. The land which was submitted to the Condominium form of ownership by the original Declaration as amended (hereinafter the "Land") was legally described in the original Declaration, as Exhibit "1". That legal description is hereby incorporated by reference as if set forth herein.
- 3.1 Applicability of Declaration of Condominium. The covenants and restrictions contained in this Declaration shall run with the land and be binding upon and inure to the benefit of all present and future Owners of Condominium Parcels. The acquisition of title to a Unit, or any interest in the Condominium Property, or the Lease, occupancy, or use of any portion of a Unit or the Condominium Property, shall constitute an acceptance and ratification of all provisions of this Declaration and an agreement to be bound by its terms.
- **Construction**. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan of Condominium ownership.

- **<u>DEFINITIONS</u>**. The terms used in this Declaration and its exhibits shall have the meanings stated below and in Chapter 718, Florida Statutes, as amended from time to time, (the "Condominium Act"), unless the context otherwise requires.
- **4.1** "Act" or "Condominium Act" means Chapter 718, Florida Statutes as it existed on the date of the recording of the original Declaration of Condominium for Hematite at Sapphire Lakes.
- **4.2** "Articles" or "Articles of Incorporation" means the Articles of Incorporation of Hematite at Sapphire Lakes Condominium Association, Inc., as amended from time to time.
- **4.3** "Assessment" means a share of the funds required for the payment of Common Expenses which from time to time is assessed against the Units.
- **4.4** "Association" means Hematite at Sapphire Lakes Condominium Association, Inc., a Florida corporation not for profit, the entity responsible for the operation of this Condominium.
- **4.5** "Association Property" means all property, real or personal, owned by the Association for the use and benefit of the Unit Owners.
- **4.6** "Board of Directors" or "Board" means the representative body which is responsible for the administration of the Association's affairs, and is the same body referred to in the Condominium Act as the "Board of Administration".
- **4.7** "Bylaws" means the Bylaws of the Association.
- 4.8 "Charge" or "Personal Assessment" means any legal or equitable indebtedness of an Owner to the Association, or other sums owed to or due to the Association from an Owner, or any cost or expense incurred by the Association on behalf of or because of an Owner. Said obligations may arise by oral or written contract, by law or in equity, or may be created by these Condominium Documents.
- **4.9** "Condominium Documents" means and includes this Declaration and all recorded exhibits hereto, as amended from time to time.
- **4.10** "Condominium Parcel" means a Unit together with the undivided share in the Common Elements which is appurtenant to the Unit.
- **4.11** "Condominium Property" means the lands, leaseholds, and personal property that are subjected to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the condominium, which is inclusive of all Units, Common Elements and Association Property.
- **4.12** "Common Elements" means the portions of the Condominium Property not included in the Units as defined in Florida Statute 718.108, and as set forth in Section 7.1 herein.
- **4.13** "Common Expenses" means all expenses and Assessments properly incurred by the Association in the performance of its duties as provided further in this Declaration and the Condominium Act.
- **4.14** "Common Surplus" means the amount of all receipts or revenues, including assessments, rents, or profits, collected by the Association which exceeds Common Expenses.

- **4.15** "Declaration" means this Declaration of Condominium for Hematite at Sapphire Lakes, a Condominium, as amended from time to time.
- **4.16** "Domestic Partners" means two (2) adults who have chosen to share their lives in a committed relationship that includes a mutual and exclusive commitment to each other's well-being, wherein each partner shares the same permanent address, have no blood relationship that would preclude marriage in the State of Florida, are of the age of legal majority, are jointly responsible for each other's common welfare, share financial interdependence and mutual obligation akin to those of marriage. Domestic Partners shall be considered as married individuals for the purpose of the Declaration.
- **4.17** "Family" or "Single Family" shall refer to any one of the following:
  - (A) One (1) natural person (as used in this Declaration, the term "person" or "natural person" shall mean a real person as opposed to an artificial entity such as a corporation, partnership or trust); or
  - **(B)** Two (2) or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage, legal custody or adoption to each of the others; or
  - (C) Not more than two (2) persons not related by blood, marriage, adoption or legal custody, who reside together as a single housekeeping unit, along with their children, if any.
- **4.18** "Fixtures" means those items of tangible personal property which by being physically annexed or constructively affixed to the Unit have become accessory to it and part and parcel of it, including but not limited to, interior partitions, walls, appliances which have been built in or permanently affixed, and plumbing fixtures in kitchens and bathrooms. Fixtures do not include floor, wall or ceiling coverings.
- 4.19 "First Mortgagee" means that mortgagee which holds a first mortgage position on a Unit.
- **4.20** "Guest" means any person who is not the Unit Owner or a lessee or a member of the Unit Owner's or lessee's Family (as defined in Section 4.17 above), who is physically present in, or occupies the Unit on a temporary basis at the invitation of the Unit Owner or lessee, without the payment of consideration.
- **4.21** "Lease" means the grant by a Unit Owner of a temporary right of use of the Unit Owner's Unit for valuable consideration.
- **4.22** "<u>Limited Common Elements</u>" means and includes those portions of the Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units.
- **4.23** "Master Association" means and refers to Sapphire Lakes Master Association, Inc., the entity responsible for the operation of the common areas of the Sapphire Lakes Community.
- **4.24** "Master Declaration" means and refer to the Declaration of Covenants, Restrictions and Easements for the Sapphire Lakes Community, recorded at O.R. Book 1626, Page 1952, of the Public Records of Collier County, Florida and any amendments thereto all as now or hereafter amended, modified or supplemented.
- **4.25** "Member" means and refer to all those Unit Owners who are Members of the Association.

- **4.26** "Occupy" when used in connection with a Unit, means the act of staying overnight in a Unit. Occupant is any person who occupies a Unit.
- **4.27** "Primary Institutional First Mortgagee" means the Institutional First Mortgagee which owns, at the relevant time, Unit mortgages securing a greater aggregate indebtedness than is owed to any other institutional First Mortgagee.
- **4.28** "Primary Occupant" means the natural person approved for occupancy when title to a Unit is held in the name of two or more persons who are not husband and wife, or by a trustee or a corporation or other entity which is not a natural person.
- **4.29** "Rules and Regulations" means those Rules and Regulations promulgated from time to time by the Board of Directors, governing the use of the Condominium Property and the operation of the Association.
- **4.30** "Sapphire Lakes Community" or "Sapphire Lakes" means the multi-phase residential development as constructed in Collier County, Florida as more fully described in the Master Declaration, of which Hematite at Sapphire Lakes is a part.
- **4.31** "Survey and Architectural Exhibits" means the Sketches, Surveys, Plot Plans, Floor Plans and Graphic Descriptions of Improvements, all of which were attached as part of Exhibit "2" to the original Declaration, and incorporated by reference herein, and including any amendments thereof.
- **4.32** "<u>Unit</u>" means a part of the Condominium Property which is subject to exclusive ownership. A Unit may be in improvements, land, or land and improvements together, as specified in the Declaration.
- **4.33** "<u>Unit Owner</u>" or "<u>Owner</u>" has the same meaning as the term "Unit Owner" as defined in the Condominium Act, except that for the purpose of interpreting use and occupancy restrictions related to Units, in cases where a Primary Occupant has been designated for a Unit because of its ownership, the word "Owner" refers to the Primary Occupant and not the record Unit Owner.
- **4.34** "<u>Utility Service</u>" means and is intended to include, but no limited to, electric power, gas, telephone, water, garbage and sewage disposal.
- **4.35** "Voting Interest of the Association" means and refers to the arrangement established in the Condominium Documents by which the Owners of each Unit collectively are entitled to one vote in Association matters. There are ninety-two (92) Units, so the total number of Voting Interests is ninety-two (92) votes.
- **DESCRIPTION OF IMPROVEMENTS, BOUNDARIES AND APPURTENANCES:** Each Unit, together with space within it, and together with all appurtenances thereto, for all purposes, constitute a separate parcel of real property, which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, independently of all other parts of the property, subject only to the provisions of this Declaration and applicable laws.
- **Survey and Plot Plans.** Attached to the original Declaration as Exhibit "2", and incorporated by reference herein, are a survey of the Land and plot plans, which graphically describe the improvements in which Units are located, and which show all the Units, including their identification number, locations and approximate dimensions and the Common Elements and Limited Common Elements. Together with this

Declaration, the exhibit identifies each Unit, the Common Elements and Limited Common Elements, and their relative locations and dimensions.

- 5.2 <u>Unit Boundaries</u>. Each Unit shall include that part of the building containing the Unit that lies within the following boundaries:
  - (A) <u>Upper and Lower Boundaries</u>. The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries.
    - (1) <u>Upper Boundaries</u>. The upper boundary shall be the horizontal plane of the undecorated finished ceiling. In a Unit containing a room in which the ceiling is raised above the level of the ceiling in the rest of the Unit, the ceiling shall include the vertical or diagonal surface connecting the raised ceiling with the ceiling of the remaining portion of the Unit, and the upper boundary shall include the plane of the undecorated finished vertical or diagonal surface that joins the planes of the undecorated finished horizontal portions of the ceiling.
    - (2) <u>Lower Boundaries</u>. The horizontal plane of the undecorated finished floor. In a Unit containing a room in which the floor is raised above the level of the floor in the rest of the Unit, the floor shall include the vertical or diagonal surface connecting that raised floor with the floor of the remaining portion of the Unit, and the lower boundary shall include the plane of the undecorated finished vertical or diagonal surface that joins the planes of the undecorated finished horizontal portions of the floor.
  - (B) <u>Perimetrical Boundaries</u>. The perimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit, extended to their planar intersections with each other and with the upper and lower boundaries.
- **5.3** Apertures. Where there are apertures in any boundary, including but not limited to, windows, doors, bay windows and skylights, such boundaries shall be extended to include the interior unfinished surfaces of such apertures, including all frameworks thereof. Exterior surfaces made of glass or other transparent material, and all framing and casings therefor, shall be included in the boundaries of the Unit.
- **Boundaries Further Defined**. The boundaries of the Unit shall not include all of those spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and those surfaces above the undecorated and/or inner surfaces of the ceilings of each Unit and, further, shall not include those spaces and improvements lying beneath the undecorated and unfinished inner surfaces of all interior bearing walls and/or bearing partitions and, further, shall exclude all pipes, ducts, wires, conduit and other facilities running through any interior wall or partition for utility services to other Units and/or for Common Elements. No part of the interior non-boundary walls within a Unit shall be considered a boundary of the Unit.
- 5.5 Exceptions and Conflicts. In the case of any conflict between the boundaries of the Unit as above described and the dimensions of the Unit shown on Exhibit "2", the above provisions describing the boundary of a Unit shall control, it being the intention of this Declaration that the actual as-built boundaries of the Unit as above described shall control over erroneous dimensions contained in Exhibit "2" attached to the original Declaration, and in the event it shall appear that any dimension shown on Exhibit "2" attached hereto is erroneous, the President of the Association shall have the right to unilaterally amend the Declaration to correct such survey, and any such amendment shall not require the joinder of any Unit Owner or Institutional

First Mortgagee so long as the purpose of the amendment is merely to correct an error and correctly describe the boundaries of a Unit. In the case of Unit boundaries not adequately described as provided above, the survey of the Units contained in Exhibit "2" shall control in determining the boundaries of a Unit. In the case of any conflict between the language of this Declaration describing the boundaries of any Unit, and in the language contained on Exhibit "2" describing the boundaries of a Unit, the language of this Declaration shall control.

- **5.6** Additional Items Included with Units. All of the following items are included with each Unit if such items are wholly or partially located within a Unit and designed and installed to serve only such Unit.
  - (A) All non-load bearing wall and partitions, doors, door frames, door hardware, and window panes;
  - **(B)** All kitchen equipment and fixtures, including without limitation, ovens, refrigerators, freezers, sinks, ranges, cabinets, dishwashers, exhaust fans and waste disposal units;
  - (C) All bathroom, lavatory and plumbing fixtures and equipment, including without limitation, sinks, tubs, showers, toilets, vanities, exhaust fans, and medicine cabinets;
  - (D) All electrical and lighting fixtures, including without limitation, outlets, switches, lamps, bulbs, outlet boxes, switch boxes, telephone outlets, circuit breakers, and circuit breaker panels;
  - (E) All clothes washers, clothes dryers, water heaters, heating equipment, and air conditioning equipment, which serves each Unit;
  - (F) All floor and wall covering, including, without limitation, carpeting, tiling, wallpaper and paint; and
  - (G) All piping, ducts, wiring, cables and conduits of any kind or type, including washer/dryer vents and stacks, serving only the particular Unit.

# 6. CONDOMINIUM PARCELS; APPURTENANCES AND USE; RECREATIONAL FACILITIES.

- **6.1 Shares of Ownership.** The Condominium contains thirty-two (32) Units. The Owner of each Unit also owns a 1/32nd undivided share in the Common Elements and the Common Surplus.
- **Appurtenances to Each Unit.** The Owner of each Unit shall have certain rights and own a certain interest in the Condominium Property, including without limitation the following:
  - (A) The undivided ownership share in the Land and other Common Elements and the Common Surplus, as specifically set forth in Section 6.1 above.
  - **(B)** Membership and voting rights in the Association, which shall be acquired and exercised as provided in the Amended and Restated Articles of Incorporation and Bylaws of the Association, attached hereto as Exhibits "3" and "4", respectively.

- (C) The exclusive right to use the Limited Common Elements, including but not limited to balconies or porches, lanais, patios, carports, garages, terraces and allocated parking spaces reserved for the Unit, and the right to use the Common Elements.
- (D) An exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time. An easement in airspace which is vacated shall be terminated automatically.
- (E) Other appurtenances as may be provided in this Declaration and its exhibits provided however that such appurtenances shall be subject to the easements for the benefit of other Units and the Association.

Each Unit and its appurtenances constitute a "Condominium Parcel".

- 6.3 <u>Use and Possession</u>. A Unit Owner or Primary Occupant is entitled to exclusive use and possession of his Unit subject only to the Association's right of access as provided in the Condominium Act and this Declaration. He is entitled to use the Common Elements in accordance with the purposes for which they are intended, but no use of the Unit or of the Common Elements may unreasonably interfere with the rights of other Unit Owners or other persons having rights to use the Condominium Property. No Unit may be divided or any fractional portion sold, leased or otherwise transferred. The use of the Units, Common Elements and Limited Common Elements shall be governed by the Condominium Documents and by the Rules and Regulations adopted by the Association, through its Board of Directors, as provided in the Bylaws.
- **Recreational Facilities.** There are no recreational facilities within this Condominium. The Master Association's recreational facilities are located on Master Association's Common Area and available to all Unit Owners.

# 7. <u>COMMON ELEMENTS</u>; EASEMENTS:

- 7.1 <u>Definition</u>. The term "Common Elements" means all portions of the Condominium Property not included within the Units, and includes without limitation the following:
  - (A) The Land.
  - **(B)** All portions of the building and other improvements not included within the boundaries of a Unit, including all Limited Common Elements.
  - (C) Easements through each Unit for conduits.
  - (D) Installations for the furnishing of services to more than one Unit or to the Common Elements, such as electricity, gas, water and sewer.
- **7.2** Easements. Each of the following easements and easement rights is reserved through the Condominium Property and is a covenant running with the land of the Condominium, and notwithstanding any of the other provisions of this Declaration, may not be revoked and shall survive the exclusion of any land from the Condominium. None of the easements specified in this section may be encumbered by any leasehold or lien other than those on the Condominium Parcels. Any lien encumbering the easements shall automatically be subordinate to the rights of Unit Owners with respect to such easements.

- (A) <u>Utility and other Easements</u>. The Association has the power, without the joinder of any Unit Owner, to grant easements such as electric, gas, cable television, communications, security systems, or other utility, access, or service easements, or relocate any existing easements, in any portion of the Common Elements or Association Property, and to grant access easements or relocate any existing easements in any portion of the Common Elements or Association Property as the Association shall deem necessary or desirable for the proper operation and maintenance of the Condominium. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the use of the Units. The Association may also transfer title to utility-related equipment, facilities or material, and to take any other action reasonably necessary to satisfy the requirements of any transferee to which any such utility-related equipment, facilities or material are to be so transferred.
- **(B)** Encroachments. If any Unit encroaches upon any of the Common Elements or upon any other Unit for any reason other than the intentional act of the Unit Owner, or if any Common Element encroaches upon any Unit, then an easement shall exist to the extent of that encroachment as long as the encroachment exists.
- (C) <u>Ingress and Egress</u>. A non-exclusive easement shall exist in favor of each Unit Owner and Occupant, their respective Guests, Lessees, licensees and invitees for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, parking areas, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as from time to time may be paved or intended for such purposes, and for purposes of ingress and egress to the public ways.
- (D) <u>Easement to Air Space.</u> The appurtenances shall include an exclusive easement for the use of the air space occupied by the Unit as it exists an any particular time and as it may be altered or reconstructed from time to time, which easements shall be terminated automatically in any air space which is vacated from time to time.
- (E) Support. Every portion of a Unit contributing to the support of the Unit or Unit building shall be burdened with an easement for support for the benefit of all Units and Common Elements in the building or Unit.
- (F) <u>Maintenance, Repair and Replacement</u>. A non-exclusive easement shall exist in favor of the Association and its employees, agents and hired contractors through the Units and Common Elements for maintenance, repair and replacements.
- **7.3** Restraint Upon Separation and Partition. The undivided share of ownership in the Common Elements and Common Surplus appurtenant to a Unit cannot be conveyed or encumbered separately from the Unit and shall pass with the title to the Unit, whether or not separately described. No action shall lie for partition of the Common Elements. The shares in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Units.

# 8. LIMITED COMMON ELEMENTS:

**8.1** <u>Description of Limited Common Elements.</u> Certain Common Elements have been designated as Limited Common Elements, reserved for the use of a particular Unit or Units, to the exclusion of the other Units. The Limited Common Elements and the Units to which their exclusive use is appurtenant are as

described in this Declaration and its related exhibits. The following Common Elements are hereby designated as Limited Common Elements:

- (A) <u>Garages</u>. There have been designated on the survey and architectural exhibits to the original Declaration certain garages, as Limited Common Elements. These garages were initially assigned to the exclusive use of specific Units by the Developer. Each Unit shall always have the exclusive use of one (1) garage space. Unit Owners shall be responsible for maintaining the interior of their garages under the provisions as contained in Section 11. below.
- (B) <u>Driveways</u>. Each driveway that serves a garage or a carport is a Limited Common Element of that Unit. The maintenance, repair or replacement of said driveway shall be the responsibility of the Association. However, any extraordinary maintenance or repair of a driveway which is caused by the negligence of the Owner of a Unit which it serves, his lessees, Guest or invitees, shall be a Charge to that Unit Owner.
- (C) <u>Air Conditioning and Heating Equipment</u>. All equipment, fixtures, and installations located outside of a Unit that furnish air conditioning or heating exclusively to that Unit, are Limited Common Elements and are maintained, repaired and replaced solely by the Unit Owner.
- (D) <u>Lanais, Porches, Entryways</u>. Any lanai, porch, terrace, stairway or entryway attached to and serving exclusively a Unit shall be a Limited Common Element.
- (E) <u>Windowboxes</u>. Windowboxes affixed to the Units or their Limited Common Elements shall also be Limited Common Elements.
- (F) Equipment. Any area upon which is located equipment or fixtures (including air conditioning compressors and water meters) which are for the exclusive use of any particular Unit or Units and the equipment or fixtures themselves shall be Limited Common Elements of such Unit(s).
- (G) Others. Any part of the Common Elements connected to or exclusively serving a single Unit, and is specifically required in Section 11. of this Declaration to be maintained, repaired or replaced by or at the expense of the Unit Owner, shall be deemed a Limited Common Element appurtenant to that Unit, whether specifically described above or not.
- 9. <u>ASSOCIATION</u>: The operation of the Condominium shall be by Hematite at Sapphire Lakes Condominium Association, Inc., a Florida corporation not for profit, which shall perform its function pursuant to the following:
- **9.1** Articles of Incorporation. A copy of the Amended and Restated Articles of Incorporation of the Association is attached as Exhibit "3."
- **9.2 Bylaws.** The Bylaws of the Association shall be the Amended and Restated Bylaws attached as Exhibit "4", as they may be amended from time to time.
- **9.3 Delegation of Management.** The Association may contract for the management and maintenance of the Condominium Property and authorize a licensed management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of

Assessments, keeping of records, enforcement of rules and maintenance repair and replacement of the Common Elements with funds made available by the Association for such purposes. The Association and its officers however, shall retain at all times the powers and duties provided in the Condominium Act.

- **9.4** Membership. The membership of the Association shall be comprised of record Owners of legal title, as further provided in the Bylaws.
- 9.5 Acts of the Association. Unless the approval or affirmative vote of the Unit Owners is specifically made necessary by some provision of the Condominium Act or these Condominium Documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board of Directors, without a vote of the Unit Owners. The officers and Directors of the Association have a fiduciary relationship to the Unit Owners. A Unit Owner does not have the authority to act for the Association by reason of being a Unit Owner.
- **Powers and Duties.** The powers and duties of the Association include those set forth in the Condominium Act and the Condominium Documents. The Association may contract, sue, or be sued with respect to the exercise or non-exercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, maintenance, management and operation of the Condominium Property and Association Property. The Association may impose fees for the use of Common Elements or Association Property. The Association has the power to enter into agreements to acquire leaseholds, memberships and other ownership, possessory or use interests in lands or facilities, whether or not the lands or facilities are contiguous to the lands of the Condominium, for the use and enjoyment of the Unit Owners. The acquisition of additional real property by the Association shall not be deemed a material change in the appurtenances to the Units.
- 9.7 Official Records. The Association shall maintain its official records as required by law. The records shall be open to inspection by Members or their authorized representatives at all reasonable times as required by law. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the Unit Owner seeking copies.
- **9.8** Purchase of Units. The Association has the power to purchase one or more Units in the Condominium, and to own, lease, mortgage, or convey them, such power to be exercised by the Board of Directors.
- **Acquisition of Property.** The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as otherwise provided in Section 9.8 above, the power to acquire ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the Voting Interests who are present and voting, in person or by proxy, at any annual or special meeting called for that purpose. No Unit Owner vote is required for the acquisition of a Unit pursuant to Section 9.8 above.
- 9.10 <u>Disposition of Property</u>. Any property owned by the Association, whether real, personal or mixed, may be mortgaged, sold, leased, or otherwise encumbered or disposed of by the approval of the Board of Directors, without need for authorization by the Unit Owners. Except as provided in Section 9.8 above, any real property owned by the Association may be conveyed by the Board of Directors, but only after approval by at least a majority of the Voting Interests. The Board of Directors shall have the authority to convey personal property without the need for authorization by the Unit Owners. The power to lease Common Elements and Association Property shall be exercised solely by the Board of Directors.

- **9.11** Association Emergency Powers. The Association shall have those emergency powers granted to it by Florida Law and the Bylaws of the Association.
- **9.12** Roster. The Association shall maintain a current roster of names and mailing addresses of Unit Owners, based upon information supplied by the Unit Owners. A copy of the roster shall be made available to any Member upon request, as provided by law.
- **9.13** <u>Limitation on Liability</u>. Notwithstanding its duty to maintain and repair Condominium or Association Property, the Association shall not be liable to Unit Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or Unit Owners or other persons.
- **ASSESSMENTS AND LIENS:** The Association has the power to levy and collect Assessments against each Unit and Unit Owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Association, including both regular Assessments for each Unit's share of the Common Expenses as set forth in the annual budget and special Assessments for unusual, nonrecurring or unbudgeted Common Expenses. The Association may also levy special Charges against any individual Unit for any amounts, other than for Common Expenses, which are properly chargeable against such Unit under this Declaration or the Bylaws. Assessments shall be levied and payment enforced as provided in the Bylaws and as follows:
- 10.1 <u>Common Expenses</u>. Common expenses include all expenses of the operation, maintenance, repair, replacement or insurance of the Common Elements and Association Property, the expenses of operating the Association, and any other expenses properly incurred by the Association for the Condominium, including any amounts budgeted for the purpose of funding reserve accounts. If the Board of Directors determines to purchase-cable, satellite television programming, communications services as defined in Chapter 202, Florida Statutes, information services or internet services in bulk for the entire Condominium, the cost of such service or services shall be a Common Expense.
- 10.2 <u>Share of Common Expenses</u>. The Owner of each Unit shall be liable for a share of the Common Expenses equal to his share of ownership of the Common Elements and the Common Surplus, as set forth in Section 6.1 of the Declaration of Condominium.
- 10.3 Ownership. Assessments collected by or on behalf of the Association become the property of the Association; no Unit Owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his Unit. No Unit Owner has the right to withdraw or receive distribution of his share of the Common Surplus, except as otherwise provided herein or by law.
- Who is Liable for Assessments. The Owner of each Unit, regardless of how title was acquired, is liable for all Assessments or installments thereon coming due while he is the Unit Owner. Multiple Unit Owners are jointly and severally liable. Except as otherwise specifically provided by the Condominium Act as amended from time to time, as to first mortgagees, whenever title to a Condominium Parcel is transferred for any reason, the new Unit Owner is jointly and severally liable with the previous Unit Owner for all Assessments, interest, administrative fees, late fees, Charges, costs and attorneys fees which came due prior to the transfer and remain unpaid, without prejudice to any right the new Unit Owner may have to recover from the previous Unit Owner any amounts paid by the new Unit Owner. When a Unit Owner conveys a Unit to a trust, partnership, corporation or other entity, the Association may condition its approval upon the transferors agreeing to remain liable to the Association for any Assessments, Charges or other obligations

owing to the Association as of the date of the approval, and for so long as the transferee trust, partnership, corporation or other entity may remain the title holder of the Condominium Unit.

- 10.5 No Waiver or Excuse from Payment. The liability for Assessments may not be avoided or abated by waiver of the use or enjoyment of any Common Elements, by abandonment of the Unit on which the Assessments are made, or by interruption in the availability of the Unit or the Common Elements for any reason whatsoever. No Unit Owner may be excused from payment of his share of the Common Expenses unless all Unit Owners are likewise proportionately excused from payment, except as provided below as to certain First Mortgagees.
- 10.6 Application of Payments; Failure to Pay; Interest. Assessments and installments thereon paid on or before ten (10) days after the date due shall not bear interest, but all sums not so paid shall bear interest at the highest rate allowed by law, calculated from the date due until paid as well as late fees calculated at the highest rate allowed by law, currently twenty-five dollars (\$25.00) per Assessment or five percent (5%) of the delinquent Assessment, whichever is higher. Assessments and installments thereon shall become due, and the Unit Owner shall become liable for said Assessments or installments, on the date established in the Bylaws or otherwise set by the Association for payment. All payments on account shall be applied first to interest, then to administrative late fees, then to costs and attorney's fees, other Charges, and then to delinquent Assessments. No payment by check is deemed received until the check has cleared.
- 10.7 Acceleration. If any special Assessment or installment of a regular Assessment as to a Unit is unpaid thirty (30) days after the due date, and a Claim of Lien is recorded, the Association shall have the right to accelerate the due date of the entire unpaid balance of the Unit's Assessment for that fiscal year. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the Public Records. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorney's fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent Unit Owner a notice of the exercise, which notice shall be sent by certified or registered mail to the Unit Owner's last known address, and shall be deemed given upon mailing of the notice, postpaid. The notice may be given as part of the notice of intent to foreclose as required by Section 718.116 of the Condominium Act, or may be sent separately.
- 10.8 Liens. The Association has a lien on each Condominium Parcel securing payment of past due Assessments including interest, administrative late fees, Charges, costs and attorney's fees incurred by the Association incident to the collection of the Assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit, and for all sums advanced and paid by the Association for or on behalf of a Unit Owner in order to preserve and protect the Association's lien, including but not limited to taxes, payments on account of superior mortgages, payments of liens or encumbrances. Except as otherwise provided by the Condominium Act as amended from time to time, the lien is effective from and shall relate back to the recording of the original Declaration of Condominium. The lien is perfected upon recording a Claim of Lien in the Public Records of Collier County, Florida, stating the description of the Condominium Parcel, the name of the record Unit Owner, the Assessments past due and the due dates. The lien is in effect until barred by law. The Claim of Lien secures all unpaid Assessments and Charges coming due prior to a final judgment of foreclosure, as well as interest, administrative fees, late fees, Charges, and all reasonable costs and attorneys' fees incurred by the Association incident to the collection process. Upon full payment, the person making the payment is entitled to a satisfaction of the lien.
- 10.9 <u>Priority of Lien</u>. The Association's lien for unpaid Assessments shall be subordinate and inferior to the lien of any recorded first mortgage, but only to the extent required by the Condominium Act, as

amended from time to time. The Association's lien shall be superior to, and take priority over, any other mortgage or other lien or encumbrance regardless of when the mortgage, lien or encumbrance were recorded, except as otherwise expressly provided by the Condominium Act, as amended from time to time. The above subordination shall in no way extinguish the liability of a first mortgagee for any monetary obligations owed to the Association. Any Lease of a Unit shall be subordinate and inferior to any Claim of Lien of the Association, regardless of when the Lease was executed.

- **10.10** Foreclosure of Lien. The Association may bring an action in its name to foreclose its lien for unpaid Assessments in the manner provided in the Condominium Act, and may also bring an action to recover a money judgment for the unpaid Assessments without waiving any lien rights.
- 10.11 Removal of Property. After the Association successfully performs a foreclosure on the Unit, if the Unit Owner does not remove personal property from the foreclosed premises, such property will be deemed forfeited to the Association and the Association may authorize removal and may sell or donate such forfeited property after ten (10) days written notice by certified mail addressed to the Unit Owner at the last known address or at such address on record as provided to the Association by the Unit Owner. Such remedy shall be in addition to all other remedies available to the Association under applicable laws, Rules and Regulations including the right to compel removal of the property and right to impose any and all fines.
- 10.12 Certificate As To Assessments. Within ten (10) business days after receiving a written or electronic request from a Unit Owner or mortgagee, or their designees, the Association shall provide a certificate stating whether all Assessments and other monies owed to the Association by the Unit Owner with respect to the Condominium Parcel have been paid. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby. Notwithstanding any limitation on transfer fees contained in Section 718.112(2)(i) of the Condominium Act, the Association or its authorized agent may charge a reasonable fee for the preparation of the certificate. The amount of the fee must be included on the certificate. The authority to charge a fee for the certificate shall be established by a written resolution adopted by the Board or provided by a written management, bookkeeping, or maintenance contract and is payable upon the preparation of the certificate. If the certificate is requested in conjunction with the sale or mortgage of a Unit but the closing does not occur and no later than thirty (30) days after the closing date for which the certificate was sought the preparer receives a written request, accompanied by reasonable documentation, that the sale did not occur from a payor that is not the Unit Owner, the fee shall be refunded to that payor within thirty (30) days after receipt of the request. The refund is the obligation of the Unit Owner, and the Association may collect it from that Unit Owner in the same manner as an Assessment as provided in the Condominium Act. The Association or its authorized agent is not required to provide a prospective purchaser or lienholder with information about the Condominium or the Association other than information or documents required by the Condominium Act to be made available or disclosed. The Association or its authorized agent may charge a reasonable fee, not to exceed the amount permitted by the Condominium Act, to a prospective purchaser, lienholder, or the Unit Owner for providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than information required by law to be made available or disclosed. The Association and its authorized agent are not liable for providing such information in good faith pursuant to a written request if the person providing the information includes a written statement in substantially the following form: "The responses herein are made in good faith and to the best of my ability as to their accuracy".
- 11. <u>MAINTENANCE</u>; <u>LIMITATIONS UPON ALTERATIONS AND IMPROVEMENT</u>: Responsibility for the protection, maintenance, repair and replacement of the Condominium Property, and restrictions on its alteration and improvement shall be as follows:

- 11.1 <u>Association Maintenance</u>. The Association is responsible for the protection, maintenance, repair and replacement of all Common Elements and Association Property (other than the Limited Common Elements that are required elsewhere herein to be maintained by the Unit Owner). The cost is a Common Expense. The Association's responsibilities include, without limitation:
  - (A) Painting of the exterior surface of the main entrance doors to the Units and the frameworks of the main entrance door.
  - **(B)** Electrical wiring up to the circuit breaker panel in each Unit.
  - (C) All sewer lines, up to the point where the common sewer lines connect to the individual Unit sewer line.
  - (D) All installations, fixtures and equipment located within one Unit but serving another Unit, or located outside the Unit, for the furnishing of utilities to more than one Unit or the Common Elements.
  - (E) All exterior building walls including painting, waterproofing and caulking.
  - **(F)** The main exterior water supply shut-off valve serving the Unit and water pipes up to, but excluding, the individual Unit water supply shut-off valve within the Unit.
  - (G) Any exterior stairways and associated stair railings not exclusively serving one Unit.
  - (H) Lanai, balcony, terrace or patio frame and screen, only when the frame is replaced. Otherwise, the maintenance, repair and replacement of the screening is the responsibility of the Unit Owner.
  - (I) Maintenance, repair and replacement of all gutters and downspouts.
  - (J) Cable television lines up to the wall outlets.
  - (K) Balcony, patio, or porch railings.
  - (L) Main air conditioning condensation drain lines, up to the point where the individual Unit drain lines meet.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a Unit or serving only that Unit. All incidental damage caused to a Unit or Limited Common Elements by work performed or ordered to be performed by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its original condition before the damage, and the cost shall be a Common Expense. However, the Association shall not be responsible for the damage to any alteration or addition to the Common Elements or Limited Common Elements made by the Unit Owner or his predecessor in title that was not part of the standard features or improvements provided to the purchaser by the Developer of the Condominium. Neither shall the Association be responsible for repair nor restoration costs if the need for work was caused by the negligence of the Unit Owner. If there shall become available to the Association a program of contract maintenance for water heaters serving individual Units, heating equipment serving individual Units, air-conditioning systems, lines, compressors and/or air handlers serving individual Units,

pest control, or other item maintenance contract for items located within the Units that are otherwise the responsibility of the Unit Owner (as set forth below), then the Association may (but shall not be obligated to) enter into such contractual undertakings upon approval of the Board of Directors. The expenses of such contractual undertakings to the Association shall be Common Expenses. All maintenance, repairs and replacements not covered by the contracts or which the Association elects not to contract for shall be the responsibility of the Unit Owner.

The Association may provide maintenance for the Limited Common Elements and shall charge and collect such costs and charges incurred for said maintenance to the specific Unit entitled to use the Limited Common Elements for which the maintenance and repairs were performed.

- 11.2 <u>Unit Owner Maintenance</u>. Each Unit Owner is responsible, at his own expense, for all maintenance, repairs, and replacement of his own Unit and certain Limited Common Elements. The Unit Owner's responsibility includes, without limitation:
  - (A) Maintenance, repair and replacement of the Unit's windows and window panes and related framework, hardware and locks, window and lanai screening. Screening materials and hurricane shutters and related framework and hardware.
  - **(B)** Sliding glass doors and related frameworks, hardware and locks.
  - (C) The main entrance door to the Unit and its interior and exterior surfaces and related entrance door framework, hardware and locks and weather-stripping. Unit Owners must comply with the Association's uniform standards for exterior doors. The Unit Owner shall be responsible for the day-to-day cleaning and care of the main entrance door to the Unit, including but not limited to the removal of any and all mold or mildew from the main entrance door.
  - (D) All other doors within or affording access to the Unit or lanai or porch and related door frameworks, hardware and locks and weather-stripping.
  - (E) The garage door for the Unit and its electrical operating mechanism. The Unit Owner shall be responsible for the maintenance, repair and replacement of the exterior surface of the garage door, as well as for its replacement. The Unit Owner shall also be responsible for the day-to-day cleaning and care of the garage door, including but not limited to the removal of any and all mold or mildew from the garage door.
  - **(F)** The water and sewer lines, pipes, fixtures, switches, valves, drains and outlets (including connections) located within the Unit or serving only the Unit and the individual Unit water supply shut-off valve within the Unit.
  - **(G)** Appliances, water heaters, smoke alarms and vent fans.
  - **(H)** All air conditioning, and heating equipment, thermostats, ducts, pipes and installations serving the Unit exclusively whether located within or outside of the Unit.
  - (I) The circuit breaker panel serving the Unit and all electrical wiring going into the Unit from the panel and all switches, receptacles, and fixtures in the Unit.
  - (J) Carpeting and other floor coverings.

- (K) Shower pans serving the Unit.
- (L) All exterior light fixtures and bulbs controlled by switches from the interior of the Unit. Unit Owners must comply with the Association's uniform standard fixtures and bulbs.
- (M) Other facilities or fixtures which are located or contained entirely within the Unit and serve only the Unit, or which are outside the Unit, but serve only the Unit.
- (N) All interior, partition walls which do not form part of the boundary of the Unit.
- (O) Clothes dryer vents and ductwork including preventative cleaning.
- (P) Door bells and chimes.
- (Q) All exterior hose bibs and associated valves and piping.

# 11.3 Other Unit Owner Responsibilities.

- Lanais, Terraces, Porches, Balconies and Stairways. Where a Limited Common Element consists of a lanai, terrace, porch, balcony or stairway, the Unit Owner who has the right of exclusive use of the area shall be responsible for the day-to-day cleaning and care of the walls, floor and ceiling bounding said area, if any; and all fixed glass and sliding glass doors (and related frameworks, hardware and locks); and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs. No carpeting of any kind may be installed over concrete floors exposed to the elements. No part or portion of any porch or stairway may be tiled, covered or enclosed. No part or portion of any lanai may be tiled, covered, or enclosed without the prior written approval of the Board. If the Unit Owner tiled, covered, or enclosed a lanai, with written approval of the Board of Directors, the maintenance, repair, replacement and insurance of such approved tile, covering, or enclosure shall be the responsibility of the Unit Owner. The Association is responsible for the maintenance, repair and replacement of all exterior walls of the building and all concrete slabs. All lanai screen framing shall have weep holes to provide proper drainage from the Unit's lanai.
- **(B)** <u>Interior Decorating.</u> Each Unit Owner is responsible for all decorating within his own Unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.
- (C) <u>Garages</u>. The Unit Owner who has the right to the exclusive use of said garage shall be responsible for the maintenance, care and preservation of the paint and interior surfaces, including walls, floor and ceiling, windows, garage doors (and related frameworks, hardware, locks and garage door openers) and wiring, electrical outlets and fixtures contained within said interior, if any, and the replacement of light bulbs, if any.
- (D) <u>Window Coverings</u>. The covering and appearance of windows and doors, whether by draperies, shades, or other items, whether installed within or outside of the Unit, visible from the exterior of the Unit, shall be subject to the Rules and Regulations of the Association. All curtains, blinds, shades and other window coverings shall be of such construction, material and installation so that the only color visible from the outside is white or off-white.

(E) <u>Air Conditioning Maintenance. Washing Machine Hoses. Water Turn-Off.</u> A Unit Owner is responsible for ongoing air conditioning maintenance service to include periodic inspection of the systems on at least an annual basis, addition of algaecide preventing tablets or other products to help keep the lines clear and periodic suction of the lines. If a Unit Owner fails to perform such maintenance service and water leaks from his air conditioning system, the Unit Owner will be strictly liable for all damage caused to the Unit, the Common Elements, Association Property, other Units, or any other property damaged by such leak. If so requested by the Association, each Unit Owner shall provide a copy of such maintenance service to the Association within ten (10) days of such request.

All washing machine hoses must be stainless steel wrapped, and if not stainless steel wrapped, must be replaced with stainless steel wrapped hoses. If a Unit Owner fails to have stainless steel wrapped hoses on his washing machine and if a leak occurs in his washing machine hose, the Unit Owner will be strictly liable for all damage caused to the Unit, the Common Elements, Association Property, other Units, or any other property damaged by such leak. Water heaters, refrigerators, dishwashers, and other appliances that require a potable water supply should be periodically inspected and maintained, especially if past the warranty period. The Board shall have the authority to enact Rules and Regulations for appliances, including material standards and useful life, in order to protect the Common Elements and Units from casualty loss events, including water damage. All main water valves shall be a ball valve. A Unit Owner is responsible for the water, and the power to the hot water heater, being turned off in a Unit if the Unit will be unoccupied for forty-eight (48) hours or more. If the water is not turned off in such instances and a leak occurs, the Unit Owner will be strictly liable for all damages caused to the Unit, the Common Elements, Association Property, other Units or any other property which is damaged by such leak.

All Unit Owners, whether or not occupying their Unit, shall continually operate their Unit's air conditioning system to maintain their Unit temperature, at no more than 78 degrees Fahrenheit. Humidistats should not be relied on or used.

If a Unit remains unoccupied for more than fifteen (15) consecutive days, the Unit Owner shall:

- (1) Prior to such period the Unit is to be unoccupied, lock and secure the glass sliders and close, lock and secure the hurricane shutters surrounding such Unit's lanai, if any. For Units that do not have sliders or hurricane shutters surrounding their lanai, the Unit Owners of such Units shall store all items located on their lanai inside their Unit or within the lanai storage room of such Unit during the entire period the Unit remains unoccupied;
- (2) During the entire period the Unit remains unoccupied, it is recommended to have a home watch service inspect the Unit periodically, whose name and contact information has been provided to the Association as set forth in Section 11.9 below.
- **(F)** <u>Modifications and Alterations</u>. If a Unit Owner makes any modifications, installations or additions to his Unit or the Common Elements, the Unit Owner, and his successors in title, shall be financially responsible for:
  - (1) Insurance, maintenance, repair and replacement of the modifications, installations or additions;

- (2) The costs of repairing any damage to the Common Elements or other Units resulting from the existence of such modifications, installations or additions; and
- (3) The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium Property for which the Association is responsible.
- (4) Damage to the modifications, installations or additions caused by work being done by the Association.
- (G) <u>Use of Licensed and Insured Contractors</u>. Whenever a Unit Owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the Unit or Common Elements, whether with or without Association approval, such Owner shall be deemed to have warranted to the Association and its Members that his contractor is properly licensed and fully insured, and that the Owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.
- (H) <u>Water Turn-Off.</u> An Owner is responsible for the water to Owner's Unit being turned off if the Unit will be unoccupied for forty-eight (48) hours or more. If the water is not turned off in such instances and a leak occurs, the Owner will be strictly liable for all damages caused to the Unit, the Common Elements, Association Property, other Units or any other property which is damaged by such leak.
- (I) <u>Modifications and Alterations.</u> If a Unit Owner makes any material modifications, alterations, installations or additions to his or her Unit or modifications, alterations, installation or additions to the Common Elements (or Limited Common Elements) or neglects to maintain, repair or replace those items for which the Unit Owner is responsible, the Unit Owner and his or her successors in title shall be financially responsible for the maintenance, repair, replacement and insurance of the modifications, installations, alterations or additions, as well as the cost of repairing any damage to the Common Elements or other Units resulting from same. Material alterations include, but are not limited to, plumbing, electrical, or structural modifications, work that causes noise to emanate from a Unit, or work that requires a permit. The Unit Owner is further responsible for the cost of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium Property for which the Association is responsible. Material alterations, modifications, installations and additions to the Unit and alterations, modifications, installations and additions to the Common Elements (including any Limited Common Elements) must be approved by the Board of Directors.
- (J) <u>Duty to Report</u>. Each Unit Owner should promptly report to the Association, its Board or its property manager any defect or needed repairs to Condominium Property.
- 11.4 Alteration to Units and Common Elements by Unit Owners. No Unit Owner shall make or permit the making of any material alterations or substantial additions to his Unit or the Common Elements (including Limited Common Elements), or in any manner change the exterior appearance of any portion of the Condominium, without first obtaining the written approval of the Board of Directors, which approval may be denied if the Board of Directors determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the Condominium in part or in whole. Whenever title to a Condominium Parcel is transferred for any reason, the new Unit Owner becomes jointly and severally liable

with the previous Unit Owner for correcting any unapproved material alterations or substantial additions to a Unit, the Common Elements or Association Property or for a change in any manner to the exterior appearance of any portion of the Condominium. Any glass, screen, curtain, blind, shutter, awning, or modifications, additions or installations which may be installed where visible from outside the Unit, are subject to regulation by the Board of Directors. No Unit Owner may alter the landscaping of the Common Elements in any way without prior Board approval. The Board of Directors may revoke or rescind any approval of an alteration or modification previously given, if it appears that the installation has had unanticipated, adverse effects on the Condominium.

11.5 Approval By the Board of Alterations or Construction. In all cases in which the Board must approve construction in or alterations to a Unit or the Common Elements requested by a Unit Owner, the Unit Owner shall provide the Board with not less than thirty (30) days written notice of the Unit Owner's intention, together with plans and specifications indicating the proposed construction. The Board shall indicate its approval or disapproval of the proposed construction in writing within thirty (30) days of receipt of the notice and all required plans. The Board reserves the right to consult with a licensed Florida architect or professional engineer and to pass such costs on to the Unit Owner and to require that any plans and specifications be prepared by a licensed Florida architect or engineer. The Board may extend the time in which it must render its decision by an additional thirty (30) days in the event it determines a licensed Florida architect's or professional engineer's review is necessary.

Alterations and Additions to Common Elements and Association Property By the Association. The protection, maintenance, repair, insurance and replacement of the Common Elements and Association Property is the responsibility of the Association and the cost is a Common Expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the Common Elements or the real property owned by the Association costing more than \$30,000 in the aggregate in any calendar year without prior approval of at least a majority of the Voting Interests who are present and voting, in person or by proxy, at an annual or special meeting called for that purpose. Therefore, up to \$30,000 in the aggregate worth of material alterations or substantial additions may be made in any calendar year by the Association with Board approval. The above membership approval is not required where the Board seeks to use reserve funds for regularly scheduled reserve expenditures as determined by the budget adopted by the Board from time to time. If work reasonably necessary to protect, maintain, repair, replace or insure the Common Elements or Association Property or to comply with any local, state or federal law or regulation also constitutes a material alteration or substantial addition to the Common Elements, no prior Unit Owner approval is required regardless of the cost of such work.

11.7 Enforcement of Owner's Maintenance Responsibilities. The Owner of a Unit has a legal duty to maintain, repair and replace, at his own expense, his Unit and the Limited Common Elements serving his Unit, except for those Limited Common Elements required to be maintained by the Association, as provided in this Section 9. Each Unit Owner also has a duty to maintain his Unit, any Limited Common Element whose exclusive use is appurtenant to the Unit, and the personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other Units, the Common Elements, or the personal property of other Owners or occupants. If any condition, defect or malfunction, resulting from the Owner's failure to perform these duties causes damage to other Units, the Common Elements, Association Property or property within other Units, the Owner of the offending Unit shall be liable to the person or entity responsible for repairing the damaged property for all costs of repair or replacement not paid by insurance, as well as reasonable attorneys fees and other expenses of collection, if any. The cost of all repairs which resulted from the Owner's negligent failure to perform these duties shall be reimbursed to the party performing the repair within sixty (60) days of the date the damage occurred or was discovered. The Owner of each Unit is also liable for the expenses of any maintenance, repair or replacement of Common Elements,

other Units, or personal property made necessary by his negligent act or failure to act or by that of any member of his family or his Guests, employees, agents, or tenants. If any Owner fails to maintain the Unit or its appurtenant Limited Common Elements as required above, the Association may institute legal proceedings to enforce compliance, or may take any and all other lawful actions to remedy the violation, including but not limited to, entering the Unit, with or without notice to or consent of the tenant or Unit Owner, to repair, replace, or maintain any item which in the reasonable judgment of the Board of Directors may constitute a health or safety hazard to other property or residents or which has a material adverse effect on the appearance of the Condominium. Any expenses incurred by the Association in performing work within the Unit as authorized by this Declaration shall be charged to the Unit Owner, together with reasonable attorney's fees and other expenses or collection, if any, which expense shall be secured by a lien against the Unit and may be foreclosed in the same manner as Common Expenses.

Negligence; Damage Caused by Condition in Unit. The Owner of each Unit shall be liable for the expenses of any maintenance, repair or replacement of Common Elements, other Units, or personal property made necessary by his act or negligence, or by that of any member of his family or his Guests, employees, agents, or lessees. Each Unit Owner has a duty to maintain his Unit, any Limited Common Element appurtenant to the Unit (except those Limited Common Elements required to be maintained by the Association, as provided in Section 11.1 and personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other Units, the Common Elements or the property of other Unit Owners and residents. If any condition, defect or malfunction, resulting from the Unit Owner's failure to perform this duty causes damage to other Units, the Common Elements, Association Property or property within other Units, the Owner of the offending Unit shall be liable to the person or entity responsible for repairing the damaged property for all costs of repair or replacement not paid by insurance. If one or more of the Units involved is not occupied at the time the damage is discovered, the Association may enter the Unit without prior notice to the Unit Owner and take reasonable action to mitigate damage or prevent its spread. The Association may, but is not obligated to, repair the damage with the prior consent of the Unit Owner. The Board shall further have the discretion to adopt reasonable Rules and Regulations regarding requirements for homewatch when Unit Owners are absent from their Units.

11.9 Association's Access to Units/Homewatch. The Association has an irrevocable right of access to the Units for the purposes of protecting, maintaining, repairing and replacing the Common Elements or portions of a Unit to be maintained by the Association under this Declaration, and as necessary to prevent damage to one or more Units. The Association's right of access includes, without limitation, entry for purposes of pest control and preventive maintenance of safety equipment such as fire alarms and sprinkler systems, and the elimination of any nuisance to other Units, as well as the right, but not the duty, to enter under circumstances where the health or safety of residents may be endangered or damage to the Common Elements may occur. In addition, the Association has the right to access an abandoned Unit as defined by the Condominium Act. The exercise of the Association's rights of access to the Unit shall be accomplished with due respect for the rights of occupants to privacy and freedom from unreasonable annoyance, as well as with appropriate precautions to protect the personal property within the Unit. In the event of an emergency where the Association needs to enter a Unit in the absence of any resident, the Association will, if possible, provide notice to the Unit Owner/resident before entering, but in all cases will notify the Unit Owner/resident in a timely manner after entry. In a non-emergency situation, the Association shall contact the Unit Owner/resident to request access to the Unit. In the event that it becomes necessary to resort to litigation to gain entry, the Association will be entitled to recover all court costs, expenses and reasonable attorneys' fees; however, nothing in this sentence places a limitation on the Association's access to a Unit in an emergency situation as provided by the Condominium Act or this Declaration. The Association shall retain a key to all Units furnished by the Unit Owner. No Unit Owner shall alter any lock, nor install a new lock, which prevents access when the Unit is unoccupied, unless the Unit Owner provides the Association with a key.

If the Association is not given a key, the Unit Owner shall pay all costs incurred by the Association in gaining entrance to the Unit, as well as all damage to his Unit caused by gaining entrance thereto, and all damage resulting from delay in gaining entrance to his Unit caused by the unavailability of a key and shall bear the cost of any new key made to thereafter to secure the Unit. The Unit Owner shall provide to the Association the name and telephone number of the home watch service or individual that: (i) has a key to such Unit Owner's Unit; (ii) shall be the Unit Owner's local emergency contact; and (iii) shall perform the home watch obligations set forth in Section 11.8 above. The Unit Owner shall notify the Association of a change in such home watch service or individual within five (5) days of making such change.

- **11.10** <u>Abandoned Units.</u> An Association, at the sole discretion of the Board, may enter an abandoned Unit for the following reasons:
  - (A) Inspect the Unit and adjoining Common Elements;
  - (B) Make repairs to the Unit or to the Common Elements serving the Unit, as needed;
  - (C) Repair the Unit if mold or deterioration is present;
  - (D) Turn on the utilities for the Unit; or
  - (E) Maintain, preserve, or protect the Unit and adjoining Common Elements.

Except in the case of an emergency, an Association may not enter an abandoned Unit until two (2) days after the Association has provided the Unit Owner with notice of the Association's intent to enter the Unit by mail or hand-delivery at the Unit Owner's address as reflected in the records of the Association. The notice may be provided by electronic transmission to Unit Owners who previously consented to receive notice by electronic transmission. Any expense incurred by an Association pursuant to this paragraph is chargeable to the Unit Owner and enforceable as an Assessment, and the Association has the right to lien the property for such unpaid Assessment, pursuant to Section 10. above. The Association may also petition a court of competent jurisdiction to appoint a receiver to lease out an abandoned Unit for the benefit of the Association to offset the rental income against the Association's costs and expenses of maintaining, preserving, and protecting the Unit and the adjoining Common Elements, including the costs of the receivership and all unpaid Assessments, interest, administrative late fees, costs, and reasonable attorney fees.

- 11.11 Pest Control. The Association may supply pest control services for the inside of each Unit, with the cost thereof being part of the Common Expenses. A Unit Owner has the option to decline such service unless the Association determines that such service is necessary for the protection of the balance of the Condominium, in which event the Unit Owner thereof must either permit the Association's pest control company to enter his Unit or must employ a licensed pest control company to enter his Unit on a regular basis to perform pest control services and furnish written evidence thereof to the Association. Because the cost of pest control service provided by the Association is part of the Common Expenses, the election of a Unit Owner not to use such service shall not reduce the Owner's Assessments.
- 11.12 <u>Hurricane Protection.</u> Notwithstanding any provision previously set forth to the contrary, the Board of Directors shall adopt and approve a model, style and color of hurricane shutter as a standard hurricane shutter for use in the Condominium. No hurricane shutter except of the standard model, color and style adopted by the Board of Directors shall be installed. Hurricane shutters cannot be installed on the outside of the lanai. The Board of Directors may adopt additional Rules and Regulations regarding hurricane shutters, including, but limited to, rules for material, type, color and deployment time limitations. The Board

of Directors may also adopt as required by law the models, styles and colors of impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection as alternative standards for use in the Condominium and if adopted, only such models, styles and colors shall be installed upon the Condominium.

- 12. <u>USE RESTRICTIONS:</u> The use of Condominium Property shall be in accordance with the following provisions as long as the Condominium exists:
- 12.1 <u>Units</u>. Except as otherwise provided herein, each Unit shall be occupied by only one (1) family at any time, as a residence and for no other purpose. No persons shall be permitted to own legal or beneficial title to more than two (2) Units in the Condominium. No business or commercial activity shall be conducted in or from any Unit, including, but not limited to storing or processing inventory, visitation of the home by clients, customers, suppliers or other business invitees or door to door solicitation of residents. The use of a Unit as a public lodging establishment shall be deemed a business or commercial use. This restriction shall not be construed to prohibit any Owner from keeping his personal, business or professional records in his Unit, or from handling his personal, business or professional telephone calls, e-mail, web services or written correspondence in and from his Unit. Such uses are expressly declared customarily incident to residential use. An Occupant must be at least eighteen (18) years of age in order to occupy a Unit without another Occupant over the age of eighteen (18) years of age present.
- 12.2 <u>Minors</u>. All occupants under eighteen (18) years of age shall be closely supervised at all times by an adult to ensure that they do not become a source of unreasonable annoyance to other residents.
- 12.3 Occupancy in Absence of Owner. If the Owner and his family who permanently reside with him are absent from the Unit and are not occupying it, and the Unit has not been leased, the Owner may permit his Unit to be occupied by his Guests only in accordance with the following:
  - (A) Any one (1) person who is the parent, child, adult grandchild or sibling of the Unit Owner or of the Unit Owner's spouse or non-spouse companion, if any, may occupy the Unit in the absence of the Owner for a period not to exceed fifteen (15) days. That person's spouse or non-spouse companion and children, if any, and Guests, if any, may accompany him with the proviso that the family and its Guests, if any, consists of no more than six (6) persons. The total number of occasions for occupancy in any Unit under this paragraph shall be limited to four (4) in any one (1) calendar year, with a maximum aggregate total of sixty (60) days. Any Occupant who desires to remain in the Unit in excess of fifteen (15) days must apply to the Association and go through an approval process established by the Board.
  - (B) House Guests not included within 12.3(A) are permitted for only one (1) family occupancy in the Unit Owner's absence and then only with the proviso that the family and its Guests, if any, consist of no more than six (6) persons. Such family, with Guests, if any, may stay no more than two (2) weeks and the total number of occasions for this type of Guest occupancy in any Unit under this paragraph shall be limited to two (2) in each calendar year. Any Occupant who desires to remain in the Unit in excess of two (2) weeks or more than two (2) times in each calendar year, must apply to the Association and go through an approval process established by the Board.
  - (C) An Owner desiring Guest occupancy under (A) or (B) above shall give notice to the Association as provided in the Rules and Regulations.

- 12.4 Occupancy When Owner is Present. There is no restriction on the number of Guests, whether related or unrelated to the Owner, who may occupy the Unit together with the Unit Owner, other than the total occupancy limit of no more than two (2) persons per bedroom and two (2) persons per den (as defined by the Association for the purposes of excluding from such definition living rooms, dining rooms, family rooms, country kitchens and the like) permitted by County Code. However, once a Guest, whether related or unrelated to the Owner, has been occupying a Unit together with the Owner for a period of more than thirty (30) days, such Guest must apply for and obtain Association approval in the same manner as a prospective Owner is required to obtain Association approval pursuant to the transfer provisions contained in Section 14. hereof. If the Guest does not obtain Association approval within the requisite time periods contained in Section 14.3 hereof, the Guest must then vacate the Unit until approval is obtained.
- 12.5 Pets. Except for fish, no more than two (2) pets of normal domesticated household type (dogs, cats, caged birds) are allowed in the Unit, subject to and in accordance with this Section. Dogs shall not exceed thirty (30) pounds. A Unit may have one (1) fish tank which tank may not exceed fifty-five (55) gallons. No aggressive breed of dogs or mixes of any aggressive breed of dogs (including but not limited to American Pit Bull Terriers, America Staffordshire Terriers, Staffordshire Bull Terriers, Rottweilers, Doberman Pinschers) are permitted. The ability to have pets is a privilege, not a right, and the Board of Directors is empowered to order and enforce the removal of any pet which becomes a reasonable source of annoyance to other residents of the Condominium. Pets must be leashed or carried at all times when outside of the Owner's Unit on the Common Elements. Pets may not be left unattended on Limited Common Elements or Common Elements. Any pets which become an unreasonable source of annoyance or nuisance, in the sole discretion of the Board, may be required to be removed from the premises within fourteen (14) days of delivery of notice to the Unit Owner. Pets cannot be kept, bred or maintained for any commercial purpose. Reptiles, rodents, amphibians, poultry, or livestock may not be kept on the Condominium Property. The Board of Directors may adopt further Rules and Regulations on other animal types and breeds which are prohibited on Condominium Property. Unit Owners are responsible to ensure that no fecal (solid waste) matter is left behind by such animals. All pets must have required vaccination certificates and licenses in accordance with applicable governing authority and regulations. All pets must be registered with the Management Company. Any Unit Owner who keeps or maintains a pet on Condominium Property, in exchange for and in consideration of the privilege to keep the pet, agrees and shall hereby be deemed to indemnify and hold the Association harmless from any loss, claim, or liability of any kind or character of whatever nature arising from or related to the keeping or maintaining of a pet on Condominium Property. Any Service or Emotional Support Animal is only permitted subject to proof of Disability Verification by a licensed physician/health care provider pursuant to the AMERICANS WITH DISABILITIES ACT or pursuant to the FAIR HOUSING ACT and the Service or Emotional Support Animal must have proper documentation as to his/her training for the function being provided (seeing eye dog, hearing dog, a balance animal, trained to alert seizures etc.). Tenants and Guests are prohibited from having pets in the Units or on the Condominium Property.
- Nuisances. No Unit Owner shall use his Unit, or the Common Elements, or permit his Unit or the Common Elements to be used, in any manner which constitutes or causes an unreasonable amount of annoyance or is unreasonably disturbing, detrimental or a nuisance to the occupant of another Unit, or which would not be consistent with the maintenance of the highest standards for a first class residential Condominium, nor permit the premises to be used in a disorderly or unlawful way. The use of each Unit and the Common Elements shall be consistent with existing laws and the Condominium Documents, and occupants shall at all times conduct themselves in a peaceful and orderly manner. No Owner, tenant or Guest may disturb any other person on the property with the use of profane, obscene, threatening or abusive comments or conduct.

- 12.7 Signs. No Unit Owner (or Unit Owner's realtor) may erect, post or display any sign on the Condominium Property, unless the placement and character, form, size and time of placement of such sign is first approved in writing by the Master Board in accordance with the provisions of the Master Declaration. No free standing signs shall be permitted unless approved in writing by the Master Board. Said signs must also conform with local regulatory ordinances.
- **12.8** <u>Vehicles.</u> All motor vehicles parked, stored or operated on the Condominium Property must comply with the covenants, conditions and restrictions contained in the Master Declaration and the Rules and Regulations of the Master Association.
- 12.9 <u>Use of Common Elements</u>. The Common Elements and Limited Common Elements shall not be obstructed, littered, defaced or misused in any manner. Lanais, patios, porches, walkways and stairways shall be used only for the purposes intended, and they shall not be used for hanging, drying or cleaning clothing, rugs or other household items where visible from the ground, or for outdoor cooking. No clothes, shoes or rugs, drapes, spreads or household articles or goods of any sort shall be dried, aired, beaten, cleaned or dusted on any walkway, window, door balcony railing, or exterior portion of any Unit.
- 12.10 <u>Satellite Dishes.</u> Satellite dishes are prohibited on the Common Elements of the Condominium. Satellite dishes may be positioned on Limited Common Elements such as lanais, but the Unit Owner must first obtain written approval from the Board or its designee prior to installation. Such application for approval shall include the installation and wiring details.
- **12.11** Electrical Vehicle Charging. Electric vehicle charging equipment shall only be installed inside Unit garages. The cost of this separate utility shall be paid by the Unit Owner. Prior to installation and/or use of any charging equipment, a Unit Owner shall apply to the Association for approval and the Unit Owner shall obtain all necessary governmental permits.
- 12.12 <u>Barbecue Grills</u>. The use of barbecue grills on the Condominium Property must be in compliance with the covenants, conditions and restrictions contained in the Master Declaration and the Rules and Regulations of the Master Association.
- **12.13** <u>Garbage</u>. No garbage or other refuse receptacles shall be placed on the Condominium Property. Each Unit Owner shall maintain the Unit Owner's Unit, Limited Common Elements, and the Common Elements of the Condominium in a clean condition.
- 12.14 Mold. Given the climate and humid conditions in Florida, mold, mildew and toxin fungi may exist and/or develop within the Unit and/or Condominium Property. Each Unit Owner is hereby advised that certain molds, mildew, toxins, and fungi may, or if allowed to remain for a sufficient period, may become toxic and potentially pose a health risk. By acquiring title to a Unit, the Unit Owner shall be deemed to assume the risks associated with molds, mildew, toxins, and/or fungi and to have released the Association from any and all liability resulting from same, including without limitation, any liability for consequential damages (which may result from, without limitation, the inability to possess the Unit, inconvenience, moving costs, hotel costs, storage costs, loss of time, lost wages, lost opportunities and/or personal injury). Without limiting the generality of foregoing leaks, leaving exterior doors or windows open, wet flooring and moisture will contribute to growth of mold, mildew, fungus or spores. Vinyl wall covering or other non-permeable wall coverings are prohibited from being installed on any exterior wall of the Unit or upon any wall within the Unit. Unit Owners agree the Association is not responsible, and hereby disclaims any responsibility for any illness or allergic reactions which may be experienced by the Unit Owner, his family members and/or

any of their Guests, lessees or invitees as a result of mold, mildew, fungus or spores. It is each Unit Owner's responsibility to keep the Unit clean, dry, well-ventilated and free of contamination.

- 12.15 <u>Surveillance and Security Cameras</u>. Surveillance and security cameras shall be limited to a Unit Owner's Unit and Limited Common Elements and shall not infringe upon the privacy of others. Any placement of camera equipment on Limited Common Elements related to surveillance must receive the prior written approval of the Board of Directors to ensure the privacy of other Unit Owners, lessees, Guests, and invitees has not been infringed upon. The determination of what constitutes infringement on privacy is in the sole discretion of the Board. There shall be no videotaping of other Unit Owners, lessees, Guests or invitees on the Common Elements without the express permission of the person being videotaped, with the exception of videotaping Board and Member meetings as allowed by Florida law.
- **12.16** Rules and Regulations. The Board of Directors may, from time to time, adopt, amend or repeal administrative Rules and Regulations governing the use, maintenance, management and control of the Common Elements, and the operation of the Association. Any Rule or Regulation created and imposed by the Board must be reasonable, demonstrably related to the promotion of health, happiness and peace of mind of the Unit Owners, and uniformly applied and enforced. Rules and Regulations may not be inconsistent with rights expressly provided in the Condominium Documents, or reasonably inferable therefrom. Copies of the Rules and Regulations shall be available to Unit Owners and occupants of the Units upon request, and Unit Owners are entitled to reasonable notice of any new Rules or amendments to existing Rules before they are enforceable.
- **12.17** Garage Enclosure. No garage shall be permanently enclosed or converted to use as a living area, or any use other than as a garage.
- 12.18 <u>Association.</u> In addition to other obligations and duties heretofore set out in this Declaration, every Unit Owner or occupant of a Condominium Unit shall abide by the use restrictions and Rules and Regulations adopted by the Association which are not inconsistent with the provisions set forth herein and the use restrictions set forth in the Master Declaration.
- **12.19** Laws and Ordinances. Every Owner and occupant of every Unit, their Guests and invitees shall comply with all laws, statutes, ordinances and rules of federal, state and county governments applicable to the properties and any violation thereof may be considered a violation of this Declaration; provided the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.
- 12.20 <u>Electricity</u>. Units must have their electricity on at all times, except when necessary maintenance of the Unit is occurring.
- 13. <u>LEASING OF UNITS</u>: In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of Units by their Owners shall be restricted as provided in this section. All Leases of Units must be in writing. A Unit Owner may lease only his entire Unit, and then only in accordance with this Section and in accordance with Section 12.1 above, after receiving the approval of the Association.

# 13.1 Procedures.

(A) <u>Notice by the Unit Owner.</u> A Unit Owner intending to lease his Unit shall give to the Board of Directors or its designee written notice of such intention at least twenty (20) days prior to the first day of occupancy under the Lease, together with the name and address of the proposed lessee, an

executed copy of the proposed Lease, together with such other information as the Board may reasonably require. The Association may charge an application fee not exceeding one hundred dollars (\$100.00) or a greater amount allowed by law. The Board may require a personal interview with the proposed lessee and his or her spouse, if any, as a condition of approval. The Board may also require a background check as a condition of approval. All Leases shall be on a uniform form of Lease or Lease addendum if so promulgated by the Association. Uniform Leases, addenda and all other Leases will provide or be deemed to provide that the lessees have read and agreed to be bound by the Condominium Documents as the same may be amended from time to time. The uniform Lease or addendum and other Leases shall further provide or be deemed to provide that any violation of the Condominium Documents shall constitute a material breach of the Lease and subject the lessee to eviction as well as any other remedy afforded by the Condominium Documents or Florida Law.

- (B) Approval. After the required notice and all information or interviews requested have been provided, the Board shall approve or disapprove the proposed Lease within fifteen (15) days. If the Board neither approves nor disapproves within the time stated above, such failure to act shall be deemed the equivalent of approval, and on demand the Board shall issue a written letter of approval to the lessee.
- (C) <u>Disapproval.</u> A proposed Lease shall be disapproved only if a majority of the whole Board so votes, and in such case the Unit Owner shall be notified in writing and the Lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:
  - (1) The Unit Owner is delinquent in the payment of Assessments, fines, Charges, or other monetary obligations due to the Association at the time the application is considered;
  - (2) The Unit Owner has a history of leasing his Unit to troublesome lessees and/or refusing to control or accept responsibility for the occupants of his Unit;
  - (3) The Unit Owner has a history of leasing his Unit without obtaining approval or the real estate company or rental agent handling the leasing transaction on behalf of the Unit Owner has a history of screening lessee applicants inadequately or recommending undesirable lessees, or entering into Leases without prior Association approval;
  - (4) The application on its face indicates that the person seeking approval intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
  - (5) The person seeking approval (which shall hereinafter include all proposed Occupants) has been convicted of or has pleaded no contest to:
    - (a) a felony involving violence to persons, theft, arson or destruction of property within the past twenty (20) years; or
    - (b) a felony demonstrating dishonesty or moral turpitude within the past ten (10) years; or
    - (c) a felony involving illegal drugs within the past ten (10) years; or

- (d) any other felony in the past five (5) years; or
- (e) a felony involving sexual battery, sexual abuse, or lewd and lascivious behavior regardless of when that conviction occurred;
- (6) The person seeking approval has been labeled a sexual offender or a sexual predator by any governmental or quasi-governmental agency regardless of when that conviction occurred or when that label occurred;
- (7) The person seeking approval has a history of conduct which evidences disregard for the rights and property of others. By way of example, but not limitation, a lessee taking possession of the premises prior to approval by the Association as provided for herein shall constitute a presumption that the applicant's conduct is inconsistent with the Declaration and Rules and Regulations of the Association and may constitute grounds for denial;
- (8) The person seeking approval evidences a strong probability of financial irresponsibility;
- (9) The person seeking approval, during previous occupancy, has evidenced an attitude of disregard for the Association Rules; or
- (10) The person seeking approval gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid.
- (11) The Unit Owner fails to give proper notice of his intention to lease his Unit to the Board of Directors.
- (D) Failure to Give Notice or Obtain Approval. If proper notice is not given, the Board at its election may approve or disapprove the Lease. Any Lease entered into without approval may, at the option of the Board, be treated as a nullity and the Board shall have the power to evict the lessee with five (5) days' notice, without securing consent to such eviction from the Unit Owner.
- (E) <u>Applications; Assessments.</u> Applications for authority to lease shall be made to the Board of Directors on such forms and include such terms as the Board may provide from time to time. The legal responsibility for paying Condominium Assessments may not be delegated to the lessee.
- **(F)** <u>Committee or Manager Approval.</u> To facilitate approval of Leases the Board may delegate its approval powers to the property manager and/or may by resolution delegate its approval powers to an *ad hoc* committee, which shall consist of at least three (3) Members.
- 13.2 Term of Lease and Frequency of Leasing. Any purchaser of a Unit is prohibited from leasing his or her Unit for a period of one (1) year from the date of purchase. For purposes of this section, the purchase of a Unit only refers to the sale of a Unit and does not include the devise or inheritance of a Unit as defined in Section 14.2 (B) below or a change in title to a Unit for purposes of estate planning. The first day of occupancy under the lease shall determine in which year the lease occurs. No Unit may be leased more often than one (1) time in a calendar year, with the minimum lease term being sixty (60) days. No lease may be for a period of more than one hundred and eighty (180) days, and no option for the lessee to extend or renew

the lease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same lease from year to year. No subleasing or assignment of lease rights by the lessee is allowed.

- 13.3 Occupancy During Lease Term. When a Unit has been leased, the Unit may be occupied by the lessee and his or her family, as the term "family" is defined in Section 4.17, above. All Leases are limited to a maximum Unit occupancy of two (2) persons per bedroom, plus two (2) persons per den (as defined by the Association). A pullout sofa bed in the living room or any other room does not constitute an additional bedroom. Guests of lessees will be required to register with the property manager prior to their occupancy. The Rental Agent/Owner, Lessee and Guest must complete an Owner/Tenant/Guest Information Form and file it with the property manager. The property manager will issue a Guest Permit for the Guest. This permit will state the amount of time that their Guest will be in residency with the lessee. A lessee will not be permitted to have a Guest stay with them longer than thirty (30) days. There shall not be more than (3) Guest occupancies per year, but in no event may the total number of days for all Guest occupancies exceed sixty (60) in any one year. On the failure to register any Guest pursuant to this Section, or have a Guest stay longer than thirty (30) consecutive days, or otherwise violate this Section 13.3, the Board shall have the right to evict the Guest and lessee in accordance with the requirements of Chapter 83, Florida Statutes, without securing consent to such eviction from the Unit Owner.
- 13.4 Occupancy in Absence of Lessee. If a lessee absents himself from the Unit for any period of time during the Lease term, his family within the first degree of relationship already in residence may continue to occupy the Unit and may have house Guests subject to all the restrictions in Sections 12. and 13.3 above. If the lessee and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the Unit.
- 13.5 <u>Use of Common Elements and Association Property.</u> To prevent overtaxing the facilities, a Unit Owner whose Unit is leased may not use the recreation or parking facilities during the Lease term.
- 13.6 Regulation by Association. All of the provisions of the Condominium Documents and the Rules and Regulations of the Association shall be applicable and enforceable against any person occupying a Unit as a lessee or Guest to the same extent as against the Unit Owner. A covenant on the part of each occupant to abide by the Rules and Regulations of the Association and the provisions of the Condominium Documents, designating the Association as the Unit Owner's agent with the authority to terminate any Lease agreement and evict the lessees in the event of breach of such covenant, shall be deemed to be included in every Lease agreement, whether oral or written, and whether specifically expressed in such agreement or not.
- 14. TRANSFER OF OWNERSHIP OF UNITS. In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the Units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of ownership of a Unit shall be subject to the following provisions:

# 14.1 Forms of Ownership.

- (A) One Owner. A Unit may be owned by one natural person who has qualified and been approved as elsewhere provided herein.
- **(B)** <u>Co-Ownership.</u> Co-ownership of Units is permitted. If the co-owners are other than husband and wife, the Board shall condition its approval upon the designation of one approved natural person as "Primary Occupant". The use of the Unit by other persons shall be as if the Primary Occupant

were the only actual Unit Owner. Any change in the Primary Occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any twelve (12) month period. No time share estates may be created. "Unit Sharing" by multiple families and "Fractional Ownership" are prohibited.

- Ownership by Corporations, Partnerships or Trusts. A Unit may be owned in trust, or by a corporation, partnership or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the Unit may be used as short-term, transient accommodations for several individuals or families as a timeshare, a shared Unit, fractional ownership, or used as Guest accommodations for employees, customers, or Guests of Unit Owner by business entities, religious, or charitable organizations, and the like. The approval of a trustee, or corporation, partnership or other entity as a Unit Owner shall be conditioned upon designation by the Unit Owner of one natural person to be the "Primary Occupant". The use of the Unit by other persons shall be as if the Primary Occupant were the only actual Unit Owner. The Primary Occupant shall be the person entitled to vote on behalf of the Unit, and exercise rights of membership. Any change in the Primary Occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this section 14. No more than one such change will be approved in any twelve (12) month period.
- (D) <u>Life Estate.</u> A Unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved under Section 14.2 below. In that event, the life tenant shall be the only Association Member from such Unit, and occupancy of the Unit shall be as if the life tenant was the only Unit Owner. Upon termination of the life estate, the holders of the remainder interest shall have no occupancy rights unless separately approved by the Association. The life tenant shall be liable for all Assessments and Charges against the Unit. Any vote, consent or approval required of Association Members may be given by the life tenant alone, and the vote, consent or approval of the holders of the remainder interest shall not be required. If there is more than one life tenant, they shall be treated as Co-Owners for purposes of determining voting and occupancy rights.

# 14.2 Transfers.

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

property manager. Notwithstanding any other time periods set forth in this Section 14., the Board of Directors shall have twenty (20) days after the receipt of the application from the Manager in which to approve or disapprove the transfer.

# 14.3 Procedures.

- (A) Notice to Association.
  - (1) <u>Sale or Gift.</u> A Unit Owner intending to make a sale or gift of his Unit or any interest therein shall give to the Board of Directors or its designee written notice of such intention at least thirty (30) days prior to the intended closing date, together with the name and address of the proposed purchaser or donee, an executed copy of the sales contract, if any, a check for the transfer fee in the maximum amount allowed by law and such other information as the Board may reasonably require. The Board may require a personal interview with the proposed purchaser or donee and his or her spouse, if any, as a condition for approval. In addition, the Board may also require a background check, as well as a credit check, as a condition of approval.
  - (2) <u>Devise, Inheritance or Other Transfers.</u> The transferee must notify the Board of Directors of his ownership and submit a certified copy of the instrument evidencing his ownership and such other information as the Board may reasonably require. The transferee shall have no occupancy or use rights unless approved by the Board, but may sell or lease the Unit following the procedures in this Section 14 or Section 13.
  - (3) <u>Demand.</u> With the notice required in Subsection (2) above, the Unit Owner or transferee seeking approval may make a written demand that if the transfer is disapproved without good cause, the Association shall furnish an approved alternate purchaser upon the same price and terms as in the disapproved sales contract, or if no contract is involved, for the fair market value of the Unit determined as provided below.
  - (4) <u>Failure to Give Notice</u>. If no notice is given, the Board of Directors, at its election, may approve or disapprove at the time it learns of the transfer. If a Unit Owner fails to obtain the Association's approval prior to selling an interest in a Unit, such failure shall create a rebuttable presumption that the seller and the purchaser intend to violate the covenants of this Declaration, and shall constitute good cause for Association disapproval.
  - (5) <u>Board Action</u> Within thirty (30) days of receipt of the required notice and all information or interviews requested, or not later than sixty (60) days after the notice required by Section 14.3 (A)(3) above is received, whichever occurs first, the Board shall approve or disapprove the transfer. If a transfer is approved, the approval shall be stated in a Certificate of Approval executed either by the President or Vice-President of the Association, or if such power is delegated to the Property Manager, by him, in recordable form and delivered to the transferee. If the Board neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval and on demand the Board shall issue a Certificate of Approval to the transferee.
- (B) Disapproval.

- (1) <u>With Good Cause.</u> Approval of the Association shall be withheld only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists. Only the following may be deemed to constitute good causes for disapproval:
  - (a) The person seeking approval (which shall hereinafter include all proposed Occupants) has been convicted of or has pleaded no contest to:
    - 1. a felony involving violence to persons, theft, arson or destruction of property within the past twenty (20) years; or
    - 2. a felony demonstrating dishonesty or moral turpitude within the past ten (10) years; or
    - 3. a felony involving illegal drugs within the past ten (10) years; or
    - 4. any other felony in the past five (5) years; or
    - 5. a felony involving sexual battery, sexual abuse, or lewd and lascivious behavior regardless of when that conviction occurred;
  - (b) The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;
  - (c) The application for approval on its face indicates that the person seeking approval intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
  - (d) The person seeking approval has a history of disruptive behavior or disregard for the rights or property of others.
  - (e) The person seeking approval has evidenced an attitude of disregard for Association Rules or by his conduct in this Condominium as a lessee, Unit Owner or occupant of a Unit;
  - (f) The transfer to the person seeking approval would result in that person owning more than two (2) Units in the Condominium; or
  - (g) The person seeking approval has failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process.
- Without Good Cause. Approval shall not be denied when a majority of the whole Board so votes. If the Board disapproves without good cause, and if the Unit Owner or transferee has made the demand set forth in Section 14.3 (A)(3), then within thirty (30) days after the Board meeting at which the disapproval took place, the Board shall deliver in writing to the Unit Owner hereafter "the seller") the name of an approved purchaser who will purchase upon substantially the same price and terms as in the disapproved sales contract. If no sales contract was involved, or if the Association challenges the contract price as not being a good faith purchase price, then the purchase price shall be paid in cash, and the price

to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two certified property appraisers, one selected by the seller and the other by the Association. The cost of the appraisals shall be shared equally by the buyer and seller. The purchaser shall pay for his own title insurance, and all costs of mortgage financing. Real property taxes and Condominium Assessments shall be prorated to the date of closing, and the parties shall bear their own attorney's fees, if any. The seller shall pay for documentary stamps and the cost of recording the deed. The closing shall take place not longer than sixty (60) days after the date of Board disapproval or thirty (30) days after determination of fair market value by appraisal, whichever occurs last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle either party to specific performance or damages.

- 14.4 <u>Failure to Act</u>. If the Board fails to deliver the name of the approved purchaser within (30) days as required above, or if the approved purchaser defaults in his purchase, then the original proposed purchaser shall be deemed to be approved, despite the Board's former disapproval, and upon demand a Certificate of Approval shall be issued.
- **14.5** Exception. The provisions of Sections 14.2 and 14.3 are not applicable to the acquisition of title by a mortgagee who acquires title through the mortgage, whether by foreclosure or deed in lieu of foreclosure.
- 14.6 <u>Unapproved Transfers.</u> Any sale or transfer which is not approved, or which is disapproved pursuant to the terms of this Declaration shall be void unless subsequent approval is granted by the Board.
- 14.7 <u>Fees.</u> For any sale or transfer which is not approved, or which is disapproved pursuant to the sale, lease, or other transfer of an interest in a Unit, the Association may charge the Unit Owner a preset fee for processing the approval, such fee not to exceed the maximum amount allowed by law. No fee may be charged for approval of a renewal or extension of a Lease with the same lessee.
- 15. <u>INSURANCE</u>. In order to adequately protect the Association and its Members, insurance shall be carried and kept in force at all times in accordance with the following provisions:
- By the Unit Owner. It is recommended that each Unit Owner purchase and maintain adequate insurance coverage for his or her own Unit, and the personal property therein, including all alterations, additions and improvements made to the Unit or the Common Elements by the Unit Owner or his or her predecessors in title, all floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit, and any improvements installed by a current or former Unit Owner if the improvement benefits only the Unit Owner for which it was installed regardless of whether the improvement is located within that Unit. The Unit Owner shall also insure those items which the Unit Owner is obligated to insure, or which the Association may exclude from its insurance responsibility, by virtue of the Condominium Act, as the same may be amended from time to time. The Unit Owner shall bear the financial responsibility for any damage to his or her property or liability to others that would otherwise be covered by such insurance, should the Unit Owner fail to maintain such insurance. Such policy must include special Assessment coverage of no less than \$2,000.00 per occurrence (or another amount established by the Board) and it may not contain rights of subrogation against the Association. The insurance obtained by the Unit Owner shall be in amounts deemed sufficient by the Board (which may establish additional and supplemental individual Unit Owner's insurance obligations from time to time through the Rules and

Regulations) to provide for the Unit Owner's having adequate insurance to rebuild any items the Unit Owner is obligated to insure pursuant to the Act. The Board may require that Unit Owners provide Certificates of Insurance, or other appropriate evidence of the Unit Owners carrying such insurance. The Association shall be a named additional insured and loss payee on all hazard and liability policies obtained by the Unit Owner pertaining to the Unit, if required by the Act. A Unit Owner's policy must conform to the requirements of Section 627.714, Florida Statues, as may be amended from time to time.

15.2 <u>Association Insurance: Duty and Authority to Obtain.</u> The Association must use its best efforts to obtain and keep in force the insurance coverage which it is required to carry pursuant to law, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the Unit Owners without naming them, and their mortgagees, as their interests shall appear.

To the extent permitted by law, the Association may self-insure. The amount of insurance must be based upon the replacement cost of the property to be insured as determined by an independent insurance appraisal or update of a prior appraisal. The replacement cost must be determined at least once very thirty-six (36) months if required by the Condominium Act. When determining the adequate amount of property insurance coverage, the Board of Directors may consider deductibles as determined pursuant to Section 718.111 of the Condominium Act. The deductibles must be consistent with industry standards and prevailing practice for communities of similar size and age, and having similar construction and facilities in the locale where the Condominium is situated. The deductibles may be based upon available funds, including reserve accounts, or predetermined Assessment authority at the time the insurance is obtained. The Board of Directors shall establish the amount of deductibles based upon the level of available funds, including reserve accounts, and predetermined Assessment authority, at the time the insurance is obtained.

- **15.3** Required Coverage. Consistent with the requirements set forth in Sections 15.1 and 15.2 above, the insurance the Association obtains and keeps in force shall afford the following protection:
  - (A) <u>Property.</u> Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "All Risk" property contract.
  - **(B)** General Liability. Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.
  - (C) <u>Workers' Compensation.</u> If applicable, the Association shall maintain Workers' Compensation insurance on a least a minimum premium basis.
  - **(D)** <u>Statutory Fidelity Bond/Insurance.</u> The Association shall maintain insurance or fidelity bonding of all persons who control or disburse funds of the Association, as required by the Condominium Act, as amended from time to time.
  - (E) <u>Directors and Officers Liability.</u> The Association shall maintain insurance for Directors and Officers Liability insurance for all Directors and Officers of the Association.
  - **(F)** <u>Flood.</u> If within a flood zone, in amounts deemed adequate by the Board of Directors, as available through the National Flood Insurance Program.

- 15.4 Optional Coverage. The Association may purchase and carry other such insurance coverage as the Board of Directors may determine to be in the best interest of the Association and the Unit Owners. Some of the more common options include:
  - (A) Flood insurance, if not in a flood zone, requiring coverage.
  - (B) Boiler and Machinery coverage (includes breakdown on air conditioning Units).
  - **(C)** Broad Form Comprehensive General Liability Endorsement.
  - (D) Medical Payments.
  - (E) Leakage, seepage and wind-driven rain.
  - **(F)** Crime insurance.
  - (G) Umbrella insurance.
- 15.5 <u>Description of Coverage</u>. A detailed summary of the coverages included in the master policies, and copies of the master policies, shall be available for inspection by Unit Owners or their authorized representative upon request.
- 15.6 <u>Waiver of Subrogation</u>. If available and where applicable, the Board of Directors shall endeavor to obtain insurance policies which provide that the insurer waives its right to subrogation as to any claim against the Unit Owners, or their respective servants, agents or Guests, except for any claim based upon gross negligence evidencing reckless, willful or wanton disregard for life or property.
- 15.7 <u>Insurance Proceeds</u>. All insurance policies purchased by the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees as their interests may appear, and all proceeds from policies purchased by the Association shall be payable only to the Association. The duty of the Association shall be to receive such proceeds as are paid, and to hold the same in trust, and disburse them for the purposes stated herein and for the benefit of the Unit Owners and their respective mortgagees in the following shares:
  - (A) <u>Common Elements.</u> Proceeds on account of damage to Common Elements shall be held in as many undivided shares as there are Units, the shares of each Unit Owner being the same as his share in the Common Elements.
  - (B) <u>Units.</u> Proceeds on account of damage within the Units shall be held in prorated shares, based on the amount of damage within each damaged Unit as a percentage of the total damage within all Units, less the deductible.
  - (C) Mortgagee. If a mortgagee endorsement has been issued as to a Unit, the shares of the mortgagee and the Unit Owner shall be as their interests appear. In no event shall any mortgagee have the right to require application of insurance proceeds to any mortgage or mortgages which it may hold against Unit or Units, except when the funds are not used for repairs or to the extent that insurance proceeds exceed the actual cost of repair or restoration of the damaged building or buildings. Except as otherwise expressly provided, no mortgagee shall have any right to participate in determining whether improvements will be repaired or reconstructed after casualty.

- **15.8** <u>Distribution of Proceeds.</u> Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Unit Owners in the following manner;
  - (A) Cost of Protecting and Preserving the Property. If a person other than the person responsible for repair and reconstruction has advanced funds to preserve and protect the property to prevent further damage or deterioration, the funds so advanced shall first be repaid, with interest if required.
  - (B) Cost of Reconstruction or Repair. If the damage for which the proceeds are paid is to be reconstructed or repaired by the Association, the remaining proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying costs will be considered Common Surplus, and may, at the discretion of the Board, either be applied as a credit toward future Assessments, or may be distributed to the beneficial Unit Owners, remittances to Unit Owners and their mortgagees being paid jointly to them.
  - (C) <u>Failure to Reconstruct or Repair.</u> If it is determined in the manner elsewhere provided herein that the damages for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Unit Owners, remittances to Unit Owners and their mortgagees being payable jointly to them.
- 15.9 <u>Association as Agent</u>. The Association is hereby irrevocably appointed as agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association for damage or loss to the Condominium Property.

# 16. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

16.1 <u>Determination to Reconstruct or Repair</u>. In the event of damage to or destruction of the Insured Property as a result of fire or other casualty [unless 75% or more of the Insured Property is destroyed or substantially damaged and Unit Owners owning 80%, or more of the applicable interests in the Common Elements elect not to proceed with repairs or restoration and a majority of Institutional First Mortgagees approve such election], the Board of Directors shall arrange for the prompt repair and restoration of the Insured Property and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments.

If 75%, or more of the Insured Property is substantially damaged or destroyed and if Unit Owners owning 80% of the applicable interests in the Common Elements duly and promptly resolve not to proceed with the repair or restoration thereof and a majority of Institutional First Mortgagees approve such resolution, the Condominium Property will not be repaired and shall be subject to an action for partition instituted by the Association, any Unit Owner, mortgagee or lienor, as if the Condominium Property were owned in common, in which event the net proceeds of insurance resulting from such damage or destruction shall be divided among all the Unit Owners in proportion to their respective interests in the Common Elements (with respect to proceeds held for damage to the Insured Property other than that portion of the Insured Property lying within the Boundaries of the Unit), and among affected Unit Owners in proportion to the damage suffered by each such affected Unit Owner, as determined in the Sole discretion of the Association (with respect to proceeds held for damage to that portion of the insured Property lying within the boundaries of the Unit); provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such fund all mortgages and liens on his Unit in the order of priority of such mortgages and liens.

Whenever in this Section the words "promptly repair" are used, it shall mean that repairs are to begin not more than sixty (60) days from the date the Board of Directors notifies the Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than ninety (90) days after the Board of Directors notifies the Unit Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work the Board of Directors may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

- **Plans and Specifications.** Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original Improvements and then applicable building and other codes; or if not, then in accordance with the plans and specifications approved by the Board of Directors of the Association and the applicable building and other codes, and if the damaged property which is to be altered is the Building, by the Owners of not less than 80% of the applicable interests in the Common Elements, as well as the Owners of all Units (and their respective mortgagees) the plans for which are to be altered.
- 16.3 Special Responsibility. If the damage is only to those parts of the Property for which the responsibility of maintenance and repair is that of the respective Unit Owners, then the Unit Owners shall be responsible for all necessary reconstruction and repair, which shall be effected promptly and in accordance with guidelines established by the Board of Directors (unless insurance proceeds are held by the Association with respect thereto by reason of the purchase of optional insurance thereon, in which case the Association shall have the responsibility to reconstruct and repair the damaged Property, provided the respective Unit Owners shall be individually responsible for any amount by which the cost of such repair or reconstruction exceeds the insurance proceeds held for such repair or reconstruction on a Unit by Unit basis, as determined in the sole discretion of the Association). In all other instances, the responsibility for all necessary reconstruction and repair shall be that of the Association.
  - (a) <u>Disbursement</u>. The proceeds of insurance collected on account of a casualty, and the sums collected from Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:
    - (i) Association Lesser Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$100,000, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors of the Association; provided, however, that upon request to the Board of Directors by an Institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction funds, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage.
    - (ii) Association Major Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is more than \$100,000, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by subparagraph (i) above, but then only upon the further approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.
    - (iii) <u>Unit Owners</u>. If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair that are the responsibility of the Association, this

balance may be used by the Association to effect repairs to Property (if not insured or if under-insured), or may be distributed to Owners of Property who have the responsibility for reconstruction and repair thereof. The distribution shall be in the proportion that the estimated cost of reconstruction and repair of such damage to each affected Unit Owner bears to the total at such estimated costs to all affected Unit Owners, as determined by the Board; provided, however, that no Unit Owner shall be paid an amount in excess of the estimated costs of repair for his portion of the Property. All proceeds must be used to effect repairs to the Property, and if insufficient to complete such repairs, the Owners shall pay the deficit with respect to their portion of the Property and promptly effect the repairs. Any balance remaining after such repairs have been effected shall be distributed to the affected Unit Owners and their mortgagees jointly as elsewhere herein contemplated.

- (iv) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that part of a distribution to an owner which is not in excess of Assessments paid by such Owner into the construction fund shall not be made payable jointly to any mortgagee.
- (v) <u>Certificate</u>. Notwithstanding the provisions herein, the Board of Directors shall not be required to determine whether or not sums paid by Unit Owners upon Assessments shall be deposited by the Association with the Board of Directors, nor to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the Assessments paid by Owners, nor to determine the payees nor the amounts to be paid. The Board of Directors may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the names of the payees and the amounts to be paid.
- 16.4 <u>Assessments</u>. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments on account of damage to the Insured Property shall be in proportion to all of the Owners' respective shares in the Common Elements.
- **16.5** <u>Benefit of Mortgagees</u>. Certain provisions in this Section 16. are for the benefit of mortgagees of Units and may be enforced by any of them.

#### 17. CONDEMNATION.

- 17.1 Deposit of Awards with Board of Directors. The taking of portions of the Condominium Property by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards for the taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Board of Directors. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Board of Directors; and in the event of failure to do so, in the discretion of the Board of Directors of the Association, a charge shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Owner.
- 17.2 <u>Determination Whether to Continue Condominium</u>. Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain also shall be deemed to be a casualty.
- 17.3 <u>Disbursement of Funds</u>. If the Condominium is terminated after condemnation, the proceeds of the awards and Special Assessments will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Board of Directors after a casualty, or as elsewhere in this Section 17. specifically provided.
- 17.4 <u>Unit Reduced but Habitable</u>. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable (in the sole opinion and discretion of the Association), the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:
  - (a) Restoration of Unit. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be charged to and payable by the Owner of the Unit.
  - (b) <u>Distribution of Surplus</u>. The balance of the award in respect to the Unit, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and such mortgagees.
  - (c) Adjustment of Shares in Common Elements. If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements and of the Common Expenses and Common Surplus appurtenant to the Unit shall be reduced by multiplying the percentage of the applicable Unit prior to reduction by a fraction, the numerator of which shall be the area in square feet of the Unit after the taking and the denominator of which shall be the area in square feet of the Unit before the taking. The shares of all Unit Owners in the Common Elements, Common Expenses and Common Surplus shall be restated as follows:
    - (i) add the total of all percentages ut all Units after reduction as aforesaid (the "Remaining Percentage Balance"); and
    - (ii) divide each percentage for each Unit after reduction as aforesaid by the Remaining Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

- 17.5 <u>Unit Made Uninhabitable</u>. If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made habitable (in the sole opinion and discretion of the Association), the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:
  - (a) Payment of Award. The awards shall be paid first to the applicable Institutional First Mortgagees in amounts sufficient to pay off their mortgages in connection with each Unit which is not so habitable; second, to the Association for any due and unpaid Assessments; third, jointly to the affected Unit Owners and other mortgagees of their Units. In no event shall the total of such distributions in respect to a specific Unit exceed the market value of such Unit immediately prior to the taking. The balance, if any, shall be applied to repairing and replacing the Common Elements.
  - (b) Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the Unit Owners in the manner approved by the Board of Directors of the Association; provided that if the cost of the work therefor shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner elsewhere required for capital improvements to the Common Elements.
  - (c) Adjustment of Shares. The shares in the Common Elements, Common Expenses and Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, Common Expenses and Common Surplus among the reduced number of Unit Owners (and among reduced Units). This shall be effected by restating the shares of continuing Unit Owners as follows:
    - (i) add the total of all percentages of all Units of continuing Owners prior to this adjustment, but after any adjustments made necessary by subsection 18.4 (c) hereof (the "Percentage Balance"); and
    - (ii) divide the percentage of each Unit of a continuing Owner prior to this adjustment, but after any adjustments made necessary by subsection 18.4 (c) hereof, by the Percentage Balance.
      - The result of such division for each Unit shall be the adjusted percentage for such Unit.
  - (d) Assessments. If the balance of the award (after payments to the Unit Owners and such Owner's mortgagees as above provided) for the taking is not sufficient to alter the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required tor such purposes shall be raised by Assessments against all of the Unit Owners who will continue as Owners of Units after the changes in the Condominium effected by the taking. The Assessments shall be made in proportion to the applicable percentage shares of those Owners after all adjustments to such shares effected pursuant hereto by reason of the taking.

- (e) Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit and the Association within thirty (30) days after notice of a dispute by any affected party, such value shall be determined by arbitration in accordance with the then existing rules at The Division of Florida Land Sales, Condominium and Mobile Homes of the Department at Business Regulation and Florida Statute Section 718.1255. Except as set forth in Florida Statutes Section 718.1255(4) (c), (d) and (e), the cost of arbitration proceedings shall be assessed against all Unit Owners, including Owners who will not continue after the taking, in proportion to the applicable percentage shares of such Owners as they exist prior to the adjustments to such shares effected pursuant hereto by reason of the taking.
- 17.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustments to these shares effected pursuant hereto by reason of the taking. If there is a mortgage on a Unit, the distribution shall be paid jointly to the Owner and the mortgagees of the Unit.
- 17.7 <u>Amendment of Declaration</u>. The changes in Units, in the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are effected by the taking shall be evidenced by an amendment to this Declaration of Condominium that is only required to be approved by, and executed upon the direction of, a majority of all Directors of the Association.
- 18. TERMINATION OF CONDOMINIUM. The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Declaration, or (ii) such time as withdrawal of the Condominium Property from the provisions of the Act is authorized by a vote of Owners owning at least 80% of the applicable interests in the Common Elements and by a majority of Institutional First Mortgagees. In the event such withdrawal is authorized as aforesaid, the Condominium Property shall be subject to an action for partition by any Unit Owner, mortgagee or lienor as if owned in common in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective interests in the Common Elements, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all mortgages and liens on his Unit in the order of their priority. The termination of the Condominium, as aforesaid, shall be evidenced by a certificate of the Association executed by its President and Secretary, certifying as to the basis of the termination and said certificate shall be recorded among the public records of the County.

This Section may not be amended without the consent of the Primary Institutional First Mortgagee.

#### 19. OBLIGATION OF OWNERS.

19.1 <u>Duty to Comply; Right to Sue.</u> Each Unit Owner, his lessees and Guests, and the Association shall be governed by and shall comply with the provisions of the Condominium Act, the Condominium Documents, and the Rules and Regulations. The Unit Owner is legally responsible for all violations of his lessee, Guests, and invitees. Actions for damages or for injunctive relief, or both, for failure to comply may be brought by the Association or by a Unit Owner against:

- (A) The Association;
- (B) A Unit Owner;
- (C) Anyone who occupies a Unit; or who is a Guest in a Unit; or
- (D) Any Member of the Board of Directors who willfully and knowingly fails to comply with these provisions.
- Waiver of Rights. The failure of the Association or of an Association Member to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents or the Rules and Regulations shall not constitute a waiver of the right of the Association or Member to enforce such right, provision, covenant or condition in the future. A provision of the Condominium Act may not be waived by a Unit Owner if the waiver would adversely affect the rights of the Unit Owner or defeat the purpose of the provision, except that Unit Owners or Directors may waive notice of specific meetings as provided in the Bylaws. Any written instrument or instruction given by the Association on behalf of a prospective purchaser or Unit Owner to an escrow agent may be relied upon by the escrow agent, whether or not such instruction and the payment of funds thereunder might otherwise constitute a waiver of any provision of the Condominium Act or the Condominium Documents.
- 19.3 Attorney's Fees. In any legal proceeding arising out of an alleged failure of a Guest, lessee, Unit Owner or the Association to comply with the requirements of the Condominium Act, the Condominium Documents, or the Rules and Regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorney's fees as may be awarded by the Arbitrator or court.
- 19.4 No Election of Remedies. All rights, remedies and privileges granted to the Association or Unit Owners under the law or any terms, provision, 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 from exercising such other additional rights, remedies, or privileges as may be available.

#### 19.5 Notice of Lien or Suit.

- (A) <u>Notice of Lien</u>. A Unit Owner shall give to the Association written notice of every lien upon his Unit other than for permitted mortgages, taxes and special Assessments, within five (5) days after the Unit Owner receives actual notice of the attachment thereof.
- (B) <u>Notice of Suit.</u> A Unit Owner shall give notice, in writing, to the Association of every suit or other proceeding which may affect the title to his Unit, such notice to be give five (5) days after the Unit Owner receives actual knowledge thereof.
- (C) <u>Failure to Comply.</u> Failure of a Unit Owner to comply with this Section 19.5 will not affect the validity of any judicial suit, however, the failure may render the Unit Owner liable to any party injured by such failure.

#### 20. RIGHTS OF MORTGAGEES.

- **Books and Records.** Institutional First Mortgagees shall have the right, upon written request to the Association, to: (i) examine the Condominium documents and the Associations books and records, (ii) receive a copy of the Association's financial statement for the immediately preceding fiscal year, (iii) receive notices of and attend Association meetings, (iv) receive notice of any alleged default in any obligations hereunder by any Unit Owner, on whose Unit such Mortgagee holds a mortgage, which is not cured within thirty (30) days of notice of default to the Unit Owner, and (v) receive notice of any substantial damage or loss to any portion of the Condominium Property.
- 20.2 Notice. Any holder, insurer or guarantor of a mortgage on a Unit shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Condominium Property or the affected mortgaged Unit, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Unit, (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, (iv) any proposed termination of the Condominium, and (v) any proposed action which requires the consent of a specified number of mortgage holders.
- **21. AMENDMENT OF DECLARATION.** Amendments to this Declaration may be proposed and adopted in the following manner:
- **21.1 Proposal.** Amendments to this Declaration may be proposed by the President of the Association, or majority of Board of Directors or by written petition signed by the Unit Owners of one-fourth (1/4<sup>th</sup>) of the Units.
- **21.2 Procedure.** Upon any amendment or amendments to this Declaration being proposed as provided above, the proposed amendment or amendments shall be submitted to a vote of the Members not later than the next annual meeting, unless insufficient time to give proper notice remains before that meeting.
- **21.3 Vote Required.** Except as otherwise provided by law, or by specific provision of the Condominium Documents, a proposed amendment to this Declaration shall be adopted if it is approved by at least two-thirds (2/3rds) of the Voting Interests who are present and voting, in person or by proxy, at a duly called Members meeting. Amendments correcting errors, omissions or scrivener's errors may be executed by the officers of the Association, upon Board approval, without need for Association membership vote.
- **21.4** Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall be in the form required by law and shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida.
- 21.5 Proviso. No amendment may change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the Unit Owner of a parcel shares the Common Expenses and owns the Common Surplus, unless the record Owner of the Unit and all record Owners of liens on the Unit if any, consent in writing to the amendment and unless all the record Owners of all the other Units approve the amendment. This proviso does not apply to changes caused by condemnation or a taking by eminent domain as provided in Section 17. No amendment shall operate to unlawfully discriminate against any Unit Owner nor against any class of Unit Owners.

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

#### 22. MISCELLANEOUS.

- **22.1** Severability. The invalidity or unenforceability in whole or in part of any covenant or restriction or any section, subsection, sentence, clause, phrase or word or other provision of this Declaration, or any exhibit attached thereto, shall not affect the remaining portions thereof.
- **Applicable Statutes.** The validity, application and construction of this Declaration and its exhibits shall be governed by the Laws of Florida, particularly the Condominium Act as it existed on the date of the recording of the original Declaration.
- **22.3** Conflicts. If there is a conflict between any provision of this Declaration and the Condominium Act, the Condominium Act shall control. If there is a conflict between this Declaration and the Association's Bylaws, the Declaration shall control.
- **22.4** <u>Interpretation.</u> The Board of Directors is responsible for interpreting the provisions of this Declaration and its exhibits. Such interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by legal counsel that an interpretation adopted by the Board is not unreasonable shall establish the validity of such interpretation.
- 22.5 <u>Headings</u>. The headings used in the Condominium Documents are for reference purposes only, and do not constitute substantive matter to be considered in construing the terms and provisions of these documents.

#### **EXHIBITS TO DECLARATION**

The exhibits listed below were recorded on August 6, 1996, together with the Declaration of Condominium for Hematite at Sapphire Lakes, a Condominium, by Declaration created on the same date, at Official Records Book 2214, Page 0528 *et seq.*, Public Records of Collier County, Florida.

• The following Exhibits, as previously amended to date, are hereby incorporated by reference as exhibits to the attached Amended and Restated Declaration of Condominium.

EXHIBIT "1" - LEGAL DESCRIPTION OF THE LAND

EXHIBIT "2" - SKETCHES, SURVEYS, PLOT PLANS FLOOR PLANS AND GRAPHIC DESCRIPTIONS OF IMPROVEMENTS FOR HEMATITE AT SAPPHIRE LAKES, A CONDOMINIUM

OTHER EXHIBITS - Those Exhibits which added the additional Buildings which were originally recorded at the following OR Book and Page Numbers:

OR Book 2251, Pages 2006 through 2011; OR Book 2260, Pages 1996 through 2001; OR Book 2263, Pages 1859 through 1864; and OR Book 2358, Pages 2213 through 2218, all of the Public Records of Collier County, Florida.

• In addition, the following Exhibits are completely amended and restated, and the Restatement is attached hereto and recorded herewith:

EXHIBIT "3" – Amended and Restated Articles of Incorporation of Association EXHIBIT "4" – Amended and Restated Bylaws of Association



Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on July 23, 2020, for HEMATITE AT SAPPHIRE LAKES CONDOMINIUM ASSOCIATION, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is N94000005868.



CR2E022 (01-11)

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capital, this the Sixteenth day of September, 2020

> Kanulyku Laurel M. Lee Secretary of State

## NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE ARTICLES OF INCORPORATION. FOR PRESENT TEXT SEE EXISTING ARTICLES OF INCORPORATION.

# AMENDED AND RESTATED ARTICLES OF INCORPORATION OF HEMATITE AT SAPPHIRE LAKES CONDOMINIUM ASSOCIATION, INC.

Pursuant to Chapter 617, Florida Statutes, the Articles of Incorporation of Hematite at Sapphire Lakes Condominium Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on November 28, 1994 are hereby amended, and restated in their entirety as amended. All amendments included herein have been adopted pursuant to Chapter 617, Florida Statutes, and there is no discrepancy between the corporation's Articles of Incorporation as previously amended and the provisions of these Amended and Restated Articles other than the inclusion of amendments adopted pursuant to Chapter 617, Florida Statutes, and the omission of matters of historical interest. The Amended and Restated Articles of Incorporation of Hematite at Sapphire Lakes Condominium Association, Inc., shall henceforth be as follows:

#### ARTICLE I

**NAME:** The name of the corporation, herein called the "Association," is Hematite at Sapphire Lakes Condominium Association, Inc., and its address is % Newell Property Management, 5435 Jaeger Road #4, Naples, Florida, 34109.

#### ARTICLE II

**2.1 PURPOSE AND POWERS:** The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act for the operation of Hematite at Sapphire Lakes, a Condominium, located in Collier County, Florida.

The Association is organized and shall exist on a non-stock basis as a corporation not for profit under the laws of the State of Florida, and no portion of any earnings of the Association shall be distributed or inure to the private benefit of any member, Director or officer of the Association. For the accomplishment of its purposes, the Association shall have all of the common law and statutory powers and duties of a corporation not for profit under the laws of the State of Florida, except as expressly limited or modified by these Articles, the Declaration of Condominium, the Bylaws or Chapter 718, Florida Statutes, as they may be amended from time to time, including but not limited to the following:

- (A) To make and collect assessments against members of the Association to defray the costs, expenses and losses of the Association, and to use the funds in the exercise of its powers and duties.
- (B) To protect, maintain, repair, replace and operate the condominium property.

#### ARTICLES OF INCORPORATION

- (C) To purchase insurance upon the condominium property and Association property for the protection of the Association and its members.
- (D) To reconstruct improvements after casualty and to make further improvements of the condominium property.
- (E) To make, amend and enforce reasonable rules and regulations governing the use of the common elements, and the operation of the Association.
- **(F)** To approve or disapprove the transfer, leasing and occupancy of units, as provided in the Declaration of Condominium.
- (G) To enforce the provisions of the Condominium Act, the Declaration of Condominium, these Articles, the Bylaws and any Rules and Regulations of the Association.
- (H) To contract for the management and maintenance of the condominium and the condominium property, and to delegate any powers and duties of the Association in connection therewith except such as are specifically required by the Declaration of Condominium to be exercised by the Board of Directors or the membership of the Association.
- (I) To employ accountants, attorneys, architects, and other professional personnel to perform the services required for proper operation of the Condominium.
- (J) To enter into agreements, or acquire leaseholds, memberships, and other possessory, ownership or use interests in lands or facilities such as country clubs, golf courses, marinas, and other recreational facilities. It has this power whether or not the lands or facilities are contiguous to the lands of the Condominium, if such agreements or use interests are intended to provide enjoyment, recreation, or other use or benefit to the unit owners with the approval of the membership in accordance with Section 718.114 of the Act.
- (K) To borrow money, execute promissory notes and other evidences of indebtedness and to give security therefor mortgages and security interests in property owned by the Association, if any, if necessary to perform its other functions hereunder, provided that such actions are approved by a majority of the Board of Directors and by a majority of the voting interests present in person or by proxy and voting at any annual or special meeting.

All funds and the title to all property acquired by the Association shall be held for the benefit of the members in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation and the Bylaws.

**2.2 PURCHASE OF UNITS**. The Association shall have the power to purchase a unit of the Condominium pursuant to Section 9.8 of the Declaration.

#### **ARTICLE III**

#### **MEMBERSHIP:**

- (A) The members of the Association shall be the record owners of legal title to one or more units in the Condominium, as further provided in the Bylaws. After termination of the Condominium, the members shall consist of those who were members at the time of such termination and their successors in interest.
- (B) The share of a member in the funds and assets of the Association cannot be assigned or transferred in any manner except as an appurtenance to his unit.
- (C) The owners of each unit, collectively, shall be entitled to one vote in Association matters. The manner of exercising voting rights shall be as set forth in the Bylaws.

#### **ARTICLE IV**

**TERM:** The term of the Association shall be perpetual.

#### **ARTICLE V**

**BYLAWS:** The Bylaws of the Association may be altered, amended, or rescinded in the manner provided therein.

#### **ARTICLE VI**

#### **DIRECTORS AND OFFICERS:**

- (A) The affairs of the Association shall be administered by a Board of Directors consisting of the number of Directors determined by the Bylaws, but not less than five (5) Directors, and in the absence of such determination shall consist of five (5) Directors.
- **(B)** Directors of the Association shall be elected by the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.
- (C) The business of the Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected each year by the Board of Directors at its first meeting after the annual meeting of the members of the Association, and they shall serve at the pleasure of the Board.

#### ARTICLE VII

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

- (A) <u>Proposal</u>. Amendments to these Articles may be proposed by a majority of the Board or by written petition, signed by at least one-fourth (1/4th) of the voting interests.
- **(B)** <u>Procedure.</u> Upon any amendment to these Articles being proposed by said Board or unit owners, such proposed amendment shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can be given.
- (C) <u>Vote Required</u>. Except as otherwise required by law, a proposed amendment to these Articles of Incorporation shall be adopted if it is approved by at least two-thirds (2/3rds) of the voting interests present in person or by proxy and voting at any annual or special meeting, or by approval in writing of a majority of the voting interests without a meeting, provided that notice of any proposed amendment has been given to the members of the Association, and that the notice contains a fair statement of the proposed amendment.
- **(D)** Effective Date. An amendment shall become effective upon proper filing with the Secretary of State and recording a certified copy in the Public Records of Collier County, Florida, with the same formalities as required by law for recording an amendment to the Bylaws.

#### ARTICLE VIII

#### INDEMNIFICATION:

- (A) Indemnity. To the fullest extent permitted by Florida law, the Association shall indemnify and hold harmless every Director, officer, or committee member of the Association, who was or is a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a Director, officer or committee member of the Association, against expenses (including attorney's fees and appellate attorney's fees and costs), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, unless (i) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he or she did not act in good faith or in a manner he or she reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he or she had reasonable cause to believe that his or her conduct was not unlawful, and (ii) such court also determines specifically that indemnification should be denied. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, has reasonable cause to believe that his or her conduct was not unlawful. It is the intent of the membership of the Association, by adoption of this provision, to provide the most comprehensive indemnification possible to their Directors, officers and committee members as permitted by Florida law.
- (B) <u>Defense</u>. To the extent that a Director, officer or committee member of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section (A)

#### ARTICLES OF INCORPORATION

above or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorney's fees and appellate attorney's fees and costs) actually and reasonably incurred by him or her in connection therewith.

- (C) <u>Advances</u>. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the affected Director, officer or committee member to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association as authorized by this Article VIII.
- (D) <u>Miscellaneous</u>. The indemnification provided by this Article VIII, shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of Members or otherwise, and shall continue as to a person who has ceased to be a Director, officer or committee member and shall inure to the benefit of the heirs and personal representatives of such person.
- (E) <u>Insurance</u>. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, committee member, employee or agent of the Association, or a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status against such liability under the provisions of this Article VIII.

#### **CERTIFICATE**

The undersigned, being the duly elected and acting President of Hematite at Sapphire Lakes Condominium Association, Inc., hereby certifies that the foregoing amendment and restatement of the Articles of Incorporation was approved by at least a majority of those present and voting at a meeting of the members held on July 15, 2020, after due notice, in accordance with the requirements of the Articles of Incorporation for their amendment, and that said vote was sufficient for their amendment.

Executed this 21 day of July, 2020.

HEMATITE AT SAPPHIRE LAKES CONDOMINIUM ASSOCIATION, INC.

Benito Raia, President 5435 Jaeger Rd. #4 Naples, FL 34109

Attest:

Margaret Engelhardt, Secletary

(SEAL)

STATE OF FLORIDA COUNTY OF COLLIER

Subscribed to before me this 2 15t day of July, 2020 by Benito Raia, as President of Hematite at Sapphire Lakes Condominium Association, Inc., a Florida corporation not for profit, on behalf of the corporation by means of [] physical presence or [] online notarization. He is personally known to me or did produce \_\_\_\_\_\_as identification.

NOTARY PUBLIC STATE OF FLORIDA Commit GG947615 Expires 1/15/2024

Signature of Notary Public

(Print, Type or Stamp Commissioned Name of Notary Public) (Affix Notarial Seal)

STATE OF FLORIDA COUNTY OF COLLIER

Subscribed to before me this \_\_\_\_\_\_ day of July, 2020 by Margaret Engelhardt, as Secretary of Hematite at Sapphire Lakes Condominium Association, Inc., a Florida corporation not for profit, on behalf of the corporation by means of [7] physical presence or [7] online notarization. She is personally known to me or did produce\_\_\_\_\_\_\_as identification.

Cynthia Jackson
NOTARY PUBLIC
STATE OF FLORIDA
Comm# GG947615
Expires 1/15/2024

Signature of Notary Public

(Print, Type or Stamp Commissioned Name of Notary Public) (Affix Notarial Seal)

ARTICLES OF INCORPORATION

EXMIBIT "3"

### NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE BYLAWS. FOR PRESENT TEXT SEE EXISTING BYLAWS.

# AMENDED AND RESTATED BYLAWS OF

#### HEMATITE AT SAPPHIRE LAKES CONDOMINIUM ASSOCIATION, INC.

- 1. GENERAL. These are the Amended and Restated Bylaws of Hematite at Sapphire Lakes Condominium Association, Inc., hereinafter the "Association," a corporation not for profit organized under the laws of Florida for the purpose of operating a residential Condominium pursuant to the Florida Condominium Act. All prior Bylaws are hereby revoked and superseded in their entirety.
- 1.1 <u>Principal Office</u>. The principal office of the Association shall be at the Condominium or at such other place within the county in which the Condominium is located, as the Board of Directors may determine.
- 1.2 <u>Seal</u>. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document where a seal may be required.
- **1.3 Definitions.** The terms used herein shall have the same definitions as stated in the Declaration of Condominium to which these Bylaws are attached as an Exhibit.
- 2. MEMBERS. The Members of the Association are the record Owners of legal title to the Units. In the case of a Unit subject to an agreement for deed, the purchaser in possession shall be deemed the Owner of the Unit solely for purposes of determining use rights. If a Unit is subject to a life estate, the life tenant is deemed the Unit Owner, and joint life tenants are deemed joint Owners for the purposes of this provision. Membership becomes effective upon the occurrence of the last to occur of the following events.
  - (A) Designation of a primary occupant, if required, as provided for in Section 14. of the Declaration of Condominium.
  - **(B)** Approval of the transfer of ownership by the Board of Directors as provided for in Section 14. of the Declaration of Condominium.
  - (C) Recording in the Public Records of a Deed or other instrument evidencing legal title to the Unit in the Member.
  - (D) Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.

The failure to comply with the prerequisites set forth in (B)-(D) above shall not release the Unit Owner from the obligation to comply with the Condominium Documents, but shall otherwise preclude such Unit Owner

**BYLAWS** 

from obtaining the benefits of membership, including, without limitation, the right to receive notices and the right to vote on Association matters.

- **2.1 Voting Rights; Voting Interests.** The Members of the Association are entitled to one (1) vote for each Unit owned by them. However, if a Unit is owned by the Association, the Association may not vote for the Unit. The total number of votes ("Voting Interests") is equal to the total number of Units for which votes may be cast. The vote of a Unit is not divisible. If a Unit is owned by one (1) natural person, his right to vote shall be established by the record title to the Unit. If a Unit is owned jointly by two (2) or more natural persons who are not acting as joint trustees, or if the Owner of a Unit is not a natural person (partnership, Limited Liability Company, Corporation or other entity) or is a trustee, the vote of that Unit shall be cast by the Unit's Primary Occupant, designated as set forth in the Declaration.
- **Approval or Disapproval of Matters.** Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such Unit at an Association meeting as stated in Section 2.1 above, unless the joinder of all record Owners is specifically required.
- **2.3** Change of Membership. Following written approval of the Association as elsewhere required herein, a change of membership in the Association shall be established by the new Member's membership becoming effective as provided for in Section 2. above, and the membership of the prior Owner shall thereby be automatically terminated.
- **2.4** Termination of Membership. Termination of membership in the Association does not relieve or release any former Member from liability or obligation incurred under or in any way connected with the Condominium during the period of his membership, nor does it impair any rights or remedies the Association may have against any former Owner or Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

#### 3. MEMBERS' MEETINGS; VOTING.

- **Annual Meeting.** There shall be an annual meeting of the Members in each calendar year, no later than thirteen (13) months after the last preceding annual meeting. The annual meeting shall be held in the county in which the Condominium is located, each year at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the Members. During the annual meeting, ballots cast in the annual election of Directors shall be counted and results announced.
- 3.2 Special Members' Meetings. Special meetings of the Members must be held whenever called by the President or by a majority of the Directors, and may also be called by Members having at least ten percent (10%) of the votes of the entire membership. Such requests shall be in writing, shall state the purpose or purposes of the meeting, and shall be signed by all the Members making the request. Special Members' meetings shall be held in the county in which the Condominium is located. Business at any special meeting shall be limited to the items specified in the notice of meeting.
- 3.3 <u>Notice of Meetings</u>. Notices of all meetings of the Members must state the time, date, and place of the meeting and include an agenda for the meeting. The notice must be mailed to each Member at the

address which appears on the books of the Association, or may be furnished by personal delivery if a written waiver of mailing is obtained, or may be provided by electronic transmission in the manner set forth in Section 617.0141, Florida Statutes and Rule 61B-23.0029, Florida Administrative Code, to the extent that a Member has consented to receive notices by electronic transmission and has not revoked such consent. Any such consent to receiving electronic transmissions shall be deemed revoked if: the Association is unable to deliver by electronic transmission two (2) consecutive notices given by the Association in accordance with such consent; and such inability becomes known to the Secretary, Assistant Secretary or other authorized person responsible for the giving of notice. However, the inadvertent failure to treat such inability as a revocation does not invalidate any meeting or other action. Notice of a meeting called to recall a Member or Members of the Board of Directors shall not be given by electronic transmission. The Member bears the responsibility for notifying the Association of any change of address, facsimile number or electronic mail address. The notice must be mailed, delivered or electronically transmitted at least fourteen (14) days before the meeting. If the Association is informed that a Unit has been transferred after notice has been mailed, no separate notice to the new Owner is required. Notice of any meeting may be waived in writing by any person entitled to receive such notice. Attendance at any meeting by a Member constitutes waiver of notice by that Member, unless the Member objects to the lack of notice at the beginning of the meeting.

- Notice of Annual Meeting; Special Requirements. Notice of the annual meeting together with a detailed agenda shall be posted in a conspicuous place on the Condominium Property or Association Property or may be provided by electronic broadcast to the Members for at least fourteen (14) continuous days prior to the annual meeting. Broadcast Notice is permitted as long as it is broadcast four times every broadcast hour for the fourteen (14) days. The notice and agenda for the annual meeting shall also be sent by first class mail to each Owner, and an affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of mailing. Notice of the annual meeting may be delivered in person if a written waiver of mailing is obtained or may be provided by electronic transmission to an Owner who so consents.
- 3.5 Quorum. A quorum at a Members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least thirty percent (30%) of the votes of the entire membership.
- 3.6 <u>Vote Required</u>. The acts approved by a majority of the votes cast at a duly called meeting of the Members at which a quorum has been attained shall be binding upon all Unit Owners for all purposes, except where a greater or different number of votes is expressly required by law or by any provision of the Condominium Documents.
- 3.7 <u>Electronic Voting.</u> Pursuant to Section 718.128 of the Condominium Act, the Association may conduct elections and other Unit Owner votes through an internet-based online voting system if a Unit Owner consents, in writing, to online voting and if the following requirements are met:
  - (A) The Association provides each Unit Owner with:
    - (1) A method to authenticate the Unit Owner's identity to the online voting system;
    - (2) For elections of the Board of Directors, a method to transmit an electronic ballot to the online voting system that ensures the secrecy and integrity of each ballot; and

**BYLAWS** 

- (3) A method to confirm, at least fourteen (14) days before the voting deadline, that the Unit Owner's electronic device can successfully communicate with the online voting system.
- **(B)** The Association uses an online voting system that is able to:
  - (1) Authenticate the Unit Owner's identity;
  - (2) Authenticate the validity of each electronic vote to ensure that the vote is not altered in transit;
  - (3) Transmit a receipt from the online voting system to each Unit Owner who casts an electronic vote;
  - (4) For elections of the Board of Directors, permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific Unit Owner;
  - (5) Store and keep electronic votes accessible to election officials for recount, inspection and review purposes.
- (C) A Unit Owner voting electronically pursuant to Section 718.128 of the Condominium Act shall be counted as being in attendance at the meeting for purposes of determining a quorum. A substantive vote of the Unit Owners may not be taken on any issue other than the issues specifically identified in the electronic vote, when a quorum is established based on Unit Owners voting electronically pursuant to Section 718.128 of the Condominium Act.
- (D) The Board of Directors must adopt a resolution that provides for and authorizes an online voting system pursuant to Section 718.128 of the Condominium Act. Such resolution must: provide that Unit Owners receive notice of the opportunity to vote through an online voting system; establish reasonable procedures and deadlines for Unit Owners to consent, in writing, to online voting; and establish reasonable procedures and deadlines for Unit Owners to opt out of online voting after giving consent. Written notice of a meeting at which the resolution will be considered must be mailed, delivered or electronically transmitted to the Unit Owners and posted conspicuously on the Condominium Property or Association Property at least fourteen (14) days before the meeting. Evidence of compliance with the fourteen (14) day notice requirement must be made by an affidavit executed by the person providing the notice and filed with the Association's official records.
- (E) A Unit Owner's consent to online voting is valid until the Unit Owner opts out of online voting according to the procedures established by the Board of Directors pursuant to (D) above.
- 3.8 Proxy Voting. To the extent lawful, any person entitled to attend and vote at a Members meeting may establish his presence and cast his vote by proxy. Proxies may not be used in electing Directors. "Limited proxies" shall be used for votes taken to waive reserves or financial statement requirements, to amend the Condominium Documents, and for all other matters for which the Condominium Act requires or permits a vote of the Members. "General proxies" may be used to establish a quorum, for procedural votes, and for non-substantive amendments to proposals for which a limited proxy is being used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally

given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy is revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by a person authorized to cast the vote for the Unit, and specify the date, time and place of the meeting for which it is given, and must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. Any copy, facsimile transmission or other reliable reproduction of the original proxy may be substituted or used in lieu of the original proxy for any purpose for which the original proxy could be used if the copy, facsimile transmission or other reproduction is a complete reproduction of the entire proxy. Holders of proxies must be Members. No proxy is valid if it names more than one person as proxyholder, but the proxyholder has the right, if the proxy so provides, to substitute another person to hold the proxy.

- 3.9 <u>Adjourned Meetings</u>. Any duly called meeting of the Members may be adjourned to be reconvened at a specific later time by vote of the majority of the Voting Interests present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.
- 3.10 Order of Business. The order of business at Members' meetings shall be substantially as follows:
  - (A) Counting of ballots in Election of Directors (if necessary)
  - (B) Call of the roll or determination of quorum
  - (C) Reading or disposal of minutes of last Members' meeting
  - (D) Reports of Officers
  - **(E)** Reports of Committees
  - (F) Unfinished Business
  - (G) New Business
  - (H) Adjournment
- 3.11 <u>Minutes.</u> Minutes of all meetings of the Members, and of the Board of Directors, shall be kept in a businesslike manner, available for inspection by Members or their authorized representatives at all reasonable times, and shall be kept in accordance with Florida law as amended from time to time. Minutes should be reduced to written form within thirty (30) days after the meeting at which they were taken.
- **3.12** Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with these Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.
- 3.13 Action by Members Without Meeting. Except for the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if written consents or other instruments expressing approval of the action proposed to be taken are signed and returned by Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the Voting Interests were present and voting. If the requisite number of written consents are received by the Secretary within ninety (90) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect on the date the requisite number of written consents are received, as if on the date the requisite number of written consents are received by vote of the Members at

a meeting of the Members held on said date. Within thirty (30) days after the date the requisite number of consents is received, the Board shall send written notice of the action taken to all Members who have not consented in writing. Nothing in this paragraph affects the rights of Members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law. If the vote is taken by the method described in this section, the list of Unit Owners on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

- 4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to approval or consent of the Unit Owners only when such is specifically required.
- 4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be five (5). All Directors shall be elected for a one (1) year term. A Director's term ends at the annual election at which his successor is to be duly elected. Directors shall be elected by the Members as described in Section 4.3 below, or in the case of a vacancy between annual elections, as provided in Section 4.4 below.
- **Qualifications.** Each Director must be a Unit Owner or the Primary Occupant of a Unit, or the spouse or non-spouse companion of the Owner or Primary Occupant. Co-Owners of a Unit may not serve as Members of the Board at the same time unless they own more than one Unit or unless there are not enough eligible candidates to fill the vacancies on the Board at the time of vacancy. A person who has been suspended or removed from the Board by the Division of Florida Condominiums, Timeshares and Mobile Homes (hereinafter the "Division") or who is delinquent in the payment to the Association of any fee, assessment or monetary obligation is not eligible for Board membership and may not be a candidate for the Board. Convicted felons must wait at least five (5) years after their civil rights have been restored before being eligible to be a candidate for the Board. Candidates must meet all other requirements and restrictions for candidacy provided for by the Condominium Act.
- **4.3** Elections. In each annual election the Members shall elect by written, secret ballot as many Directors as there are regular terms of Directors expiring, unless the balloting is dispensed with as provided for by law.
  - (A) First Notice; Candidates. Not less than sixty (60) days before the election, the Association shall mail or deliver, or electronically transmit to Unit Owners who so consent, to each Unit Owner entitled to vote, a first notice of the date of the election. The first notice may be given by separate Association mailing or electronic transmission or included in another Association mailing, delivery or electronic transmission, including regularly published newsletters. Any Unit Owner or other eligible person desiring to be a candidate may qualify as such by giving written notice to the Association not less than forty (40) days before the annual election. Notice shall be deemed effective when received by the Association. A person must be eligible to be a candidate to serve on the Board of Directors at the time of the deadline for submitting a notice of intent to run in order to have his or her name listed as a proper candidate on the ballot or to serve on the Board of Directors. Candidates may not be nominated from the floor at the meeting at which the election is to be held.

- (B) Second Notice; Candidate Information Sheets. If there are more candidates than there are Directors to be elected, balloting is required, and at least fourteen (14) days before the election, the Association shall mail or deliver a second notice of election to all Unit Owners entitled to vote in the contested election, together with a ballot which shall list all qualified candidates in alphabetical order, by surname. This notice may also include the notice of the annual meeting required by Section 3.3 above. Upon timely request of a candidate, the Association shall include a "candidate information sheet" (no larger than 8-1/2 inches by 11 inches, furnished by the candidate) with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.
- (C) <u>Balloting</u>. Where balloting is required, Directors shall be elected by a plurality of the votes cast, provided that at least twenty percent (20%) of the eligible voters cast ballots. Proxies may not be used in the election. In the election of Directors, there shall be appurtenant to each Unit as many votes for Directors as there are Directors to be elected, but no Unit may cast more than one (1) vote for any candidate, it being intended that voting for Directors shall be non-cumulative. Tie votes may be broken by agreement among the candidates who are tied by lot or by any other method required or permitted by law. If there is no agreement, the Association shall proceed with a runoff election pursuant to the rules adopted by the Division.
- 4.4 <u>Resignation; Vacancies on the Board</u>. Any Director may resign at any time by giving written notice to the Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor to fill the remaining unexpired term shall be appointed or elected as follows:
  - (A) Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of the majority of the remaining Directors, even though the remaining Directors constitute less than a quorum, or by the sole remaining Director. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. If a vacancy is not so filled or if no Director remains, the replacement may be elected by the Members or, on the petition of any Member, by appointment of the Circuit Court of the county where the Condominium is located.
  - (B) If a vacancy occurs on the Board as a result of an increase in the number of Directors or a recall in which less than a majority of the Board Members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, but only for a term of office continuing until the next annual election of Directors by the Members, at which time the Members shall elect a successor to fill the remaining unexpired term, if any.
  - (C) If vacancies occur on the Board as a result of a recall, and a majority or more of the Directors are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division, which provide procedures governing the conduct of the recall election as well as the operation of the Association during the period after a recall, but prior to the recall election.
  - (D) A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under §617.0807 or otherwise, may be filled before the vacancy occurs. However the new Director may not take office until the vacancy occurs.

- Recall and Removal of Directors. Any or all Directors may be recalled, with or without cause, 4.5 by a majority vote of the entire membership, either by a written petition or at a meeting called for that purpose no earlier than sixty (60) days after the Directors have been elected and no later than sixty (60) days before the next election. The recall of one or more Directors shall occur in accordance with the provisions and requirements of Rules 61B-23.0027 and 61B-23.0028, Florida Administrative Code, as amended from time to time. If a meeting is held or a petition is filed for the removal of more than one (1) Director, the question shall be determined separately as to each Director sought to be recalled. If a special meeting is called by ten percent (10%) of the Voting Interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days after the date of notice of the meeting. Directors or officers who are ninety (90) days delinquent in payment of regular assessments shall be deemed to have abandoned the office. A director or officer charged with a felony theft or embezzlement offense involving the Association's funds or property shall be removed from office and cannot be appointed or elected while charges are pending. If there is no finding of guilt, the director or officer shall be reinstated for the remainder of his or her term of office.
- 4.6 <u>Organizational Meeting</u>. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors, at such place and time as may be fixed and announced by the Directors at the meeting in conjunction with which they were elected.
- 4.7 Other Meetings. Meetings of the Board may be held at such time and place in the county in which the Condominium is located, as shall be determined from time to time by the President or by a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or other form of electronic transmission at least two (2) days before the day of the meeting. If notice is transmitted by facsimile, notice shall be effective if correctly directed to a number at which the Director has consented to receive notice. If notice is transmitted by electronic mail, notice shall be effective if correctly directed to an email address at which the Director has consented to receive notice.
- 4.8 Notice to Owners. Except as otherwise provided by law or elsewhere in this Section 4., all meetings of the Board of Directors shall be open to attendance by the Unit Owners. The right of Owners to attend Board meetings includes the right to speak on designated agenda items, subject to reasonable rules of the Association governing the manner, duration and frequency of doing so. Twenty percent (20%) of the Voting Interests may petition the Board to address an item of business as an agenda item at its next regular Board meeting or at a special meeting of the Board that must be held no later than sixty (60) days after receipt of the petition. Notice of meetings of the Board of Directors may be given by electronic transmission to Unit Owners who consent to receive notice by electronic transmission. A notice and agenda of all Board meetings must be posted conspicuously on the Condominium Property or Association Property for at least forty-eight (48) continuous hours in advance of each meeting, except in an emergency, and subject to the following special circumstances:
  - (A) Assessment to be Considered; Rules Regarding Unit Use. Notice of any Board meeting at which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and disclose the nature of such assessments, estimated cost, and description of the purposes for such assessments. Notice of any Board meeting at which a non-emergency special assessment will be considered or at which amendments to rules regarding Unit use will be considered must also be mailed, delivered, or electronically transmitted to the Owners of each Unit and posted conspicuously on the Condominium or Association Property

at least fourteen (14) days before the meeting, except in an emergency, and an affidavit of mailing must be retained as proof of mailing.

- (B) <u>Budget Meetings</u>. Notice of any Board meeting held to formally adopt a budget, or to amend a previously adopted budget, must be mailed, delivered or electronically transmitted to Unit Owners who so consent, to the Unit Owners as further provided in Section 6.2 below.
- (C) <u>Meetings with Association Legal Counsel</u>. Meetings between either the Board or a committee, and Association legal counsel, regarding proposed, impending or ongoing litigation, to the extent the meeting is held for the purpose of seeking or rendering legal advice regarding that litigation, may be held and must be noticed as such, however, the meeting may be closed to the Owners.
- (D) <u>Meetings Regarding Personnel Matters</u>. Meetings of the Board regarding personnel matters must be noticed but may be closed to the Owners.
- **4.9 Waiver of Notice.** Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.
- **Quorum of Directors.** A quorum at a Board meeting exists only when at least a majority of all Directors are present in person at a duly called meeting. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation in a meeting by such means is equivalent to presence in person. Directors may not vote or participate in Board meetings by proxy or by secret ballot, except that officers may be elected by secret ballot.
- 4.11 <u>Vote Required for Action</u>. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Condominium Documents or by applicable statutes. A Director who is present at a meeting of the Board and abstains from voting is deemed to have neither voted in favor or against the action. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes.
- 4.12 <u>Adjourned Meetings</u>. A majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided a quorum is present, any business may be transacted that might have been transacted at the meeting originally as called.
- **4.13** The Presiding Officer. The President of the Association, or in his absence, the Vice President, is the presiding officer at all meetings of the Board. If neither officer is present, the presiding officer shall be selected by majority vote of the Directors present.
- **4.14** Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

- 4.15 <u>Committees</u>. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Notice of meetings of committees may be given by electronic transmission to Unit Owners who consent to receive notice by electronic transmission. Meetings of a committee for the purpose of taking final action on behalf of the Board, or to make recommendations to the Board regarding a budget, must be noticed and conducted with the same formalities as are required for Board meetings in Section 718.112(2)(c), Florida Statutes, as amended. To the greatest extent permitted by law, meetings of all other committees are exempt from this requirement, but those other committees may voluntarily post notices of their meetings and open such meetings to attendance by Unit Owners.
- **Emergency Powers.** In the event of any "emergency" as defined in Section 4.16 (N) below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, and Section 718.1265 Florida Statutes, as amended from time to time.
  - (A) The Board may conduct Board meetings and membership meetings with notice given as is practicable. Such notice may be given in any practicable manner, including publication, radio, United States mail, the Internet, public service announcements, and conspicuous posting on the Condominium Property or any other means the Board deems reasonable under the circumstances. Notice of Board decisions may be communicated as provided in this paragraph.
  - (B) The Board may cancel and reschedule any Association meeting.
  - (C) The Board may name as assistant officers persons who are not directors, which assistant officers shall have the same authority as the executive officers to whom they are assistants during the state of emergency to accommodate the incapacity or unavailability of any officer of the Association.
  - **(D)** The Board may relocate the Association's principal office or designate alternative principal offices.
  - (E) The Board may enter into agreements with local counties and municipalities to assist counties and municipalities with debris removal.
  - (F) The Board may implement a disaster plan before or immediately following the event for which a state of emergency is declared which may include, but is not limited to, shutting down or off elevators; electricity; water, sewer, or security systems; or air conditioners.
  - (G) The Board may based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the Board, determine any portion of the Condominium Property unavailable for entry or occupancy by Unit Owners, family members, tenants, guests, agents, or invitees to protect the health, safety, or welfare of such persons.
  - (H) The Board may require the evacuation of the Condominium Property in the event of a mandatory evacuation order in the locate in which the Condominium is located. Should any Unit Owner or other occupant of a Condominium fail or refuse to evacuate the Condominium Property

where the Board has required evacuation, the Association shall be immune from liability or injury to persons or property arising from such failure or refusal.

- (I) The Board may based upon advice of emergency management officials or upon the advice of licensed professionals retained by the Board, determine whether the Condominium Property can be safely inhabited or occupied. However, such determination is not conclusive as to any determination of habitability pursuant to the declaration.
- (J) The Board may mitigate further damage, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus, including, but not limited to, mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the Condominium Property, even if the Unit Owner is obligated by the declaration or law to insure or replace those fixtures and to remove personal property from the Unit.
- (K) The Board may contract, on behalf of any Unit Owner or Owners, for items or services for which the Owners are otherwise individually responsible for, but which are necessary to prevent further damage to the Condominium Property. In such event, the Unit Owner or Owners on whose behalf the Board has contracted are responsible for reimbursing the Association for the actual costs of the items or services, and the Association may use its lien authority provided by Section 718.116, Florida Statutes to enforce collection of the charges. Without limitation, such items or services may include the drying of Units, the boarding of broken windows or doors, and the replacement of damaged air conditioners or air handlers to provide climate control in the Units or other portions of the property.
- (L) The Board may, regardless of any provisions to the contrary, levy special assessments without a vote of the Owners. Such special assessments, levied for the purpose of repairing any damages caused during the Emergency, may be imposed by the Board within one hundred eighty (180) days from the first date of the Emergency.
- (M) The Board may, without Owners' approval, borrow money and pledge Association assets as collateral to fund emergency repairs and carry out the duties of the Association when operating funds are insufficient.
- (N) For purposes of this Section only, an "emergency" exists only during a period of time that the Condominium, or the immediate geographic area in which the Condominium is located, is subjected to any of the following:
  - (1) a state of emergency declared by the Governor pursuant to Section 252.36 Florida Statutes or by local civil or law enforcement authorities
  - (2) a hurricane warning
  - (3) a partial or complete evacuation order
  - (4) a federal or state "disaster area" status

(5) a catastrophic occurrence, whether natural or manmade, which seriously damages or threatens to seriously damage the physical existence of the Condominium, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest or act of terrorism, or other similar event.

An "emergency" also exists for purposes of this Section during any period of time when a quorum of the Board cannot readily be assembled because of the occurrence or imminent occurrence of a catastrophic event, such as a hurricane, earthquake, act of war, civil unrest or terrorism, or other similar event. A good faith determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive validity.

The special emergency powers authorized above shall be limited to that time reasonably necessary to protect the health, safety, and welfare of the Association and the Unit Owners and the Unit Owner's family members, tenants, guests, agents, or invitees and shall be reasonably necessary to mitigate further damage and make emergency repairs.

#### 5. OFFICERS.

- President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of all Directors at any meeting. Any person, except the President, may hold two (2) or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one (1) Vice President. Any officer may resign at any time by giving written notice to the Corporation and unless otherwise specified therein, the resignation shall become effective upon receipt. Directors or officers who are ninety (90) days delinquent in payment of any monetary obligation due the Association shall be deemed to have abandoned the office. A director or officer charged with a felony theft or embezzlement offense involving the Association's funds or property shall be removed from office and cannot be appointed or elected while charges are pending. If there is no finding of guilt, the director or officer shall be reinstated for the remainder of his or her term of office.
- 5.2 <u>President</u>. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Members and Directors, shall be ex officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts or documents requiring the execution of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.
- **5.3** <u>Vice Presidents</u>. The Vice Presidents, in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.
- 5.4 <u>Secretary</u>. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to

be kept for the purpose, and shall perform like duties for standing committees when required. He shall give, or cause to be given, proper notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Condominium Documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

- 5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall oversee the disbursement of Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if one has been designated.
- **6. FISCAL MATTERS.** The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:
- **<u>Depository.</u>** The Association shall maintain its funds in federally insured accounts or investments with such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.
- **Budget.** The Board of Directors shall adopt a budget of common expenses in advance for each fiscal year. A copy of the proposed budget, and a notice stating the time, date and place of the meeting of the Board at which the budget will be adopted, shall be mailed, delivered or electronically transmitted to the Owner of each Unit not less than fourteen (14) days before that meeting. The proposed budget must be detailed, and must show the amounts budgeted by income and expense classifications, including without limitation those specified in Section 718.504(21)(c) of the Condominium Act, if applicable. The Association may utilize the pooled method of determining reserves in its budget. The Board shall follow the same procedures as outlined above in the event that it wishes to amend an already approved budget for the remainder of the fiscal year.
- operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. They shall also include any other planned or foreseeable capital expenditure or deferred maintenance item with a current estimated cost of \$10,000 or more. The amount to be reserved shall be computed by a formula based upon estimated remaining life and replacement cost of each item. These reserves must be funded unless the Members of the Association have, by a majority vote of those present in person or by proxy at a duly called meeting of the Association, determined to fund no reserves, or less than adequate reserves, for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the Unit Owners as required in Section 6.2 above. Reserves funded under this paragraph, and any interest thereon, shall be used only for the

purposes for which they were reserved, unless their use for other purposes is approved in advance by a majority of the Voting Interests present, in person or by limited proxy, at a Members' meeting called for the purpose. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserves for other purposes must contain the following statement in large, bold caps: WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

- 6.4 Other Reserves. In addition to the statutory reserves described in Section 6.3 above, or in place of them if the Members so vote, the Board may establish one or more additional reserve accounts for contingencies, operating expenses, repairs, minor improvements, deferred maintenance or special projects. The purpose of these reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.
- Assessments. Regular annual assessments based on the adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to the Members at least fifteen (15) days prior to the due date. Failure to send or receive such notice does not excuse the obligation to pay. The quarterly installments shall be equal in size, except that if an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and payments shall be continued at such rate until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each Unit's next due quarterly installment.
- 6.6 Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessments. The notice of any Board meeting at which a special assessment will be considered, discussed or proposed shall be given as provided in Section 4.8 above and the notice to the Owners that the assessment has been levied must contain a statement of the purpose(s) of the assessment. The funds collected must be spent for the stated purpose(s) or returned to the Members as provided by law.
- **6.7** Fidelity Bonds. The President, Secretary and Treasurer, and all other persons who are authorized to sign checks or have access to Association funds, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premiums on such bonds is a common expense.
- **Financial Statements.** Within 90 days after the end of the fiscal year, or annually on a date provided in the Bylaws, the Association shall prepare and complete, or contract for the preparation and completion of, a financial report for the preceding fiscal year, meeting the requirements of Section 718.111(13), Florida Statutes. Within 21 days after the final financial report is completed by the Association or received from the third party, but not later than 120 days after the end of the fiscal year or other date as provided in the Bylaws, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the most recent financial report or a notice that a copy of the most recent financial report will be mailed or hand delivered to the Unit Owner, without charge, within 5 business days after receipt of a written request from the Unit Owner. A waiver for one (1) or two (2) consecutive fiscal years will be effective if approved by at least a majority of

the Voting Interests present in person or by proxy at a meeting called for the purpose and held prior to the end of a fiscal year.

- **Audits.** A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the Voting Interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report made available to all Members.
- **6.10** Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year. The Board of Directors may adopt a different fiscal year in accordance with law and the regulations of the Internal Revenue Service.
- 7. RULES AND REGULATIONS. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the use, maintenance, management and control of the Condominium Property and the operation of the Association. Copies of such rules and regulations shall be furnished to each Unit Owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the Unit Owners, and uniformly applied and enforced.
- **8. COMPLIANCE AND DEFAULT; REMEDIES.** In addition to the remedies provided in Section 19. of the Declaration of Condominium, the following shall apply:
- 8.1 Fines; Suspensions. The Board of Directors may levy reasonable fines for the failure of the Unit Owner or the Unit's occupant, licensee, or invitee to comply with any provision of the Condominium Act, the Declaration, the Association Bylaws, or reasonable rules of the Association. Fines shall be in amounts deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amount allowed by law, and no fine may be levied against an unoccupied Unit. Unless the Condominium Act is amended: (i) a fine may not exceed \$100.00 per violation (except that a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing); (ii) a fine may not in the aggregate exceed \$1,000.00; and (iii) a fine may not become a lien against a Unit.

The Board of Directors may suspend, for a reasonable period of time, the right of a Unit Owner, or a Unit Owner's tenant, guest, or invitee to use of the Common Elements, common facilities, or any other Association Property for a reasonable period of time to deter future violations or if for failure to pay monetary obligations due to the Association, until such time as the monetary obligations are paid. The procedure for imposing fines and/or suspensions not related to delinquency in monetary obligations due to the Association shall be as follows:

(A) A fine or suspension may not be imposed by the Board of Directors unless the Board first provides at least fourteen (14) days' written notice and an opportunity for a hearing to the Unit Owner and, if applicable, its occupant, licensee, or invitee. The hearing must be held before a committee of other Unit Owners who are neither Board Members nor persons residing in a Board Member's household. The role of the committee is limited to determining whether to confirm or reject the fine or suspension levied by the Board. If the committee does not agree, the fine or suspension may not be imposed.

- (B) If an Owner is more than ninety (90) days delinquent in paying a monetary obligation due to the Association, the Association may suspend the right of a Unit Owner or a Unit's occupant, licensee, or invitee to use Common Elements, common facilities, or any other Association Property until the monetary obligation is paid. For such non-payment of monetary obligations, no notice or hearing is required.
- 8.2 <u>Mandatory Non-Binding Arbitration</u>. In the event of any dispute as defined in Section 718.1255(1) of the Condominium Act, between a Unit Owner and the Association arising from the operation of the Condominium, so long as mandatory non-binding arbitration is required by the Condominium Act, the parties must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Condominiums, Timeshares, and Mobile Homes prior to filing any lawsuit over the disputed matters. Nothing herein shall be construed to require arbitration of disputes related to the levy or collection of fees or assessments.
- 8.3 Availability of Remedies. Each Member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all Members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the right of the majority to enjoy the Condominium Property free from unreasonable disruptions and annoyance.
- **9. AMENDMENT OF BYLAWS.** Amendments to these Bylaws shall be proposed and adopted in the following manner:
- **9.1** Proposal. Amendments to these Bylaws may be proposed by a majority of the Board, or by written petition to the Board, signed by at least one-fourth (1/4th) of the Voting Interests.
- **9.2** Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or Unit Owners, such proposed amendment or amendments shall be submitted to a vote of the Owners not later than the next annual meeting for which proper notice can still be given.
- 9.3 <u>Vote Required</u>. Except as otherwise provided by law, or by specific provision of the Condominium Documents, a proposed amendment to these Bylaws shall be adopted if it is approved by at least two-thirds (2/3rds) of the Voting Interests who are present and voting, in person or by proxy, at any annual or special meeting called for the purpose, provided that notice of the proposed amendment has been given to the Members in accordance with law.
- **Recording; Effective Date.** A copy of each adopted amendment shall be attached to a certificate reciting the facts of its adoption, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida. The certificate must identify the book and page of the Public Records where the Declaration of Condominium was originally recorded.

#### 10. MISCELLANEOUS.

- 10.1 <u>Gender</u>. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.
- 10.2 <u>Severability</u>. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.
- 10.3 <u>Conflict</u>. If any irreconcilable conflict between these Bylaws and the Declaration of Condominium or Articles of Incorporation should exist or arise, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.