

**OFFERING CIRCULAR**

**FOR**

**SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO**

---

1. THIS OFFERING CIRCULAR CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS AND SALES MATERIALS.
3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS OFFERING CIRCULAR AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.



This Offering Circular has been prepared pursuant to the Condominium Act, Chapter 718, Florida Statutes, 1976, as amended through the date of preparation of this Offering Circular ("Act"), in connection with the offering for sale of residential condominium parcels ("Dwelling Units") in Sheridan Beach Club Condominium Number Two ("Offered Condominium"). The Offered Condominium is being developed by Sheridan 58, LLC, a Florida limited liability company, 649 East Sheridan Street, Dania Beach, Florida 33004.

The Act requires that the Developer set forth on this page of the Offering Circular the following statements with regard to the Offered Condominium:

**1. THIS OFFERING CIRCULAR CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.**

**2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.**

**3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS OFFERING CIRCULAR AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.**

**4. THE OFFERED CONDOMINIUM IS BEING CREATED AND SOLD IN FEE SIMPLE. THERE IS NEITHER A RECREATION LEASE NOR A LAND LEASE ASSOCIATED WITH THE OFFERED CONDOMINIUM.**

**5. THERE IS (IS TO BE) A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH MP MALONE, C.A.M.**

For further details, please refer to the discussion in Section 5 of this Offering Circular and see Exhibit 10 hereto.

**6. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE CONDOMINIUM UNITS HAVE BEEN SOLD.**

The operation of the Offered Condominium will be by the Board of Directors ("Board") of the Association elected or designated in accordance with the Articles of Incorporation of the Association ("Articles").

This right of control terminates at the time set forth in Article IX of the Articles. For further details, please refer to the Articles (Exhibit 2, Article IX) and Sections 1.5 and 2.2 of this Offering Circular.

**7. THE SALE, LEASE OR TRANSFER OF YOUR CONDOMINIUM UNIT IS RESTRICTED OR CONTROLLED.**

The Association has the right to either approve the sale or transfer of your Dwelling Unit, or find a substitute purchaser or transferee on equal terms within thirty (30) days.

For further details, please refer to Section 2.1.4 of this Offering Circular and Sections 17 and 19 of the Declaration (Exhibit 1).

**8. THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND DWELLING UNITS MAY BE ADDED TO THE OFFERED CONDOMINIUM.**

For further details, please refer to Exhibit 1, Articles 3, 5, 6 and 7 of the Declaration, and the discussion in Section 1.5 of this Offering Circular.

**9. BUILDINGS AND CONDOMINIUM UNITS WHICH ARE ADDED TO THE OFFERED CONDOMINIUM MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER BUILDINGS AND CONDOMINIUM UNITS IN THE CONDOMINIUM.**

For further details, please refer to the Declaration (Exhibit 1, Articles 3, 5, 6 and 7) and the discussion in Section 1.4 of this Offering Circular.

**10. RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF CONDOMINIUM UNIT OWNERS OR THE ASSOCIATION.**

For further details, please refer to the discussion in Section 3.2 of this Offering Circular.

**11. THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.**

Please refer to Section 2.1.7 of this Offering Circular for further details.

**12. THE OFFERED CONDOMINIUM MAY BE PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS MAY BE OPERATED BY THE SAME ASSOCIATION.**

Please refer to Article 31.2 of the Declaration, (Exhibit 1 hereto), Article IV of the Articles (Exhibit 2), Section 7 of the Bylaws (Exhibit 3) and Section 7 of this Offering Circular.

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## SECTION 1: GENERAL INFORMATION

### 1.1 Introduction

Sheridan Beach Club Condominium Number Two ("Offered Condominium") is being created as a "phase condominium" as contemplated by the Condominium Act, Chapter 718, Florida Statutes, 1976 ("Act"), as amended through the date of the filing of this Offering Circular, and is being developed by Sheridan 58, LLC, a Florida limited liability company ("Developer"). The Offered Condominium will be located in the City of Dania Beach, Broward County ("County"), Florida. The Offered Condominium will be created by the recording of the Declaration of Condominium of Sheridan Beach Club Condominium Number Two ("Declaration"). The Offered Condominium may be submitted to condominium ownership in three (3) "Phases," as described in the Declaration (Exhibit 1 to this Offering Circular) and in Section 1.4 of this Offering Circular. If fully developed as planned, it is anticipated that the Offered Condominium will comprise fifty-eight (58) residential Dwelling Units ("Dwelling Units") in two (2) buildings, each containing four (4) stories ("Buildings"). Each Building will contain twenty-nine (29) Dwelling Units. Each building Phase shall also contain at least as many parking spaces as there are Dwelling Units within the subject Phase. The third Phase, which shall contain the recreational facilities, shall also contain parking spaces. Developer, however, is not and shall not be obligated to build any or all of the Dwelling Units herein described or submit any or all Phases to condominium ownership, except to the extent it agrees to pursuant to individual Contracts for Purchase and Sale entered into with purchasers of Dwelling Units, and may add or change Dwelling Units in a "Subsequent Phase" (as hereinafter defined) as indicated in the Declaration and this Offering Circular.

**THE OFFERED CONDOMINIUM IS BEING CREATED AND SOLD IN FEE SIMPLE. THERE IS NEITHER A RECREATION NOR A LAND LEASE ASSOCIATED WITH THE OFFERED CONDOMINIUM.**

This Offering Circular contains all the information required to be provided under the Act to prospective owners of Dwelling Units ("Dwelling Unit Owners") in the Offered Condominium.

### 1.2 Concept of Condominium Ownership in the Offered Condominium

Briefly stated, the concept of condominium ownership means that a Dwelling Unit Owner acquires his Dwelling Unit in fee simple, together with an undivided interest in other areas of the Offered Condominium in which the Dwelling Unit is located which are used or may be used in common with other Dwelling Unit Owners and which constitute "Common Elements" (as such term is defined in the Declaration). All of the Dwelling Unit Owners become members of Sheridan Beach Club Condominium Association Number Two, Inc. ("Association") which is administered by its board of directors ("Board").

The Dwelling Unit Owner owns his Dwelling Unit in many ways similar to the manner in which a single-family homeowner owns his home. Any mortgage on a Dwelling Unit is the responsibility of the Owner of that Dwelling Unit only and no other Dwelling Unit is subject to the lien of any mortgage placed on any other Dwelling Unit. Further, under present law, each



Dwelling Unit is taxed as a separate lot for real estate tax purposes and a Dwelling Unit Owner will not be responsible if any of his neighbors fails to pay the taxes due on his Dwelling Unit. Each Dwelling Unit is conveyed to a Dwelling Unit Owner by separate Special Condominium Warranty Deed, the form of which is attached hereto as Exhibit 6.

### 1.3 Developer

Developer, Sheridan 58, LLC, a Florida limited liability company, was incorporated in the State of Florida in May, 2002. The company was founded for the purpose of developing the Offered Condominium. Developer's Chief Executive Officer, Kevin Guthard, has been actively engaged in the real estate development industry in Florida for over twenty (20) years and has been instrumental in the development of condominium and single family communities in Florida, as follows: (1) Boca Marina: eighty-eight (88) condominium units, fifty-four (54) townhomes and thirty-four (34) single-family lots in Boca Raton; (2) Coronado at Highland Beach: three hundred thirty-six (336) condominium units in Highland Beach; (3) Lake Emerald: eight hundred eighty-eight (888) condominium units and (4) Lake Pointe: three hundred eighty (380) condominium units, both in Oakland Park; (5) Ventura: three thousand two hundred sixty (3,260) single-family homes and condominium units in Orlando; (6) Sheridan Ocean Club: a one thousand (1,000) unit condominium, rental, and single-family home community built in the Cities of Dania Beach and Hollywood; (7) Park Shore Towers: seventy-five (75) condominium units in Naples; (8) Eastpointe: nine hundred ninety-one (991) single-family homes and condominium units in Palm Beach Gardens; and, (9) Sheridan Beach Club Condominium Number One: forty-four (44) condominium units in Dania Beach

### 1.4 Plan for Development of the Offered Condominium

**THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND CONDOMINIUM UNITS MAY BE ADDED TO THE CONDOMINIUM.**

Please refer to Articles 3, 5, 6 and 7 of the Declaration and the discussion below for further details.

Developer intends that if the Offered Condominium is created by recording the Declaration amongst the Public Records of the County, the initial Phase, Phase II (hereinafter referred to as the "Initial Phase") will be submitted to condominium ownership as part of the Offered Condominium. Developer is not, however, obligated or committed to construct any or all of the Phases of the Offered Condominium (except as set forth in each Contract for Purchase and Sale). The proposed portion of the "Land" (as defined in the Declaration) and improvements of which the Initial Phase shall consist is shown on the proposed survey, plot plan and graphic description of improvements for the Initial Phase ("Initial Phase Survey") which is included within Exhibit 8B to this Offering Circular. The improvements in the Initial Phase for the Offered Condominium, if submitted to condominium ownership, are described in detail in Article 5 of the Declaration and are planned to include one (1) four (4)-story residential Building containing, in addition to the Common Elements, a total of twenty-nine (29) Dwelling Units. While Developer plans that the general size for each Dwelling Unit in the Initial Phase of the Offered Condominium will range from approximately one thousand one hundred fifty-one (1,151) to approximately one thousand six

hundred fifteen (1,615) air-conditioned square feet, Developer reserves the right to include in the Initial Phase Dwelling Units ranging in size from a minimum of one thousand (1,000) to a maximum of two thousand (2,000) air-conditioned square feet.

The "Subsequent Phases" are those portions of the Land and improvements thereon other than the Initial Phase which are designated as Phase I and Phase III and which consist of the real property more particularly described in the proposed survey, plot plan and graphic description of improvements for the Subsequent Phases as shown on the proposed "Phase I Survey" and the "Phase III Survey" which, together with the Initial Phase Survey for the Offered Condominium, are attached to the Declaration as Exhibits B-1 through B-3 and, collectively, together with the boundary survey, comprise Exhibit 8B to this Offering Circular and are referred to herein as the "Surveys." While Developer plans that the general size for each Dwelling Unit in Subsequent Phase I of the Offered Condominium will range from approximately one thousand one hundred fifty-one (1,151) to approximately one thousand six hundred fifteen (1,615) air-conditioned square feet, Developer reserves the right to include in the Subsequent Phase Dwelling Units ranging in size from a minimum of one thousand (1,000) to a maximum of two thousand (2,000) air-conditioned square feet. Phase III is not intended to contain any Dwelling Units, but recreational facilities, parking spaces and other Common Elements only.

**BUILDINGS AND CONDOMINIUM UNITS WHICH ARE ADDED TO THE OFFERED CONDOMINIUM MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER BUILDINGS AND CONDOMINIUM UNITS IN THE CONDOMINIUM.**

For further details, please refer to Articles 3, 5, 6 and 7 in the Declaration and the following discussion in this Section 1.4 of this Offering Circular.

Although Subsequent Phase I, if submitted to condominium ownership, is planned to include one (1) Building containing twenty-nine (29) Dwelling Units, the number of Dwelling Units contained in the Initial Phase and Subsequent Phase I could differ as set forth below:

| <u>PHASE</u> | <u>NUMBER OF BUILDINGS</u> | <u>NUMBER OF DWELLING UNITS</u> |         |         | <u>SQUARE FOOTAGE</u> |         |
|--------------|----------------------------|---------------------------------|---------|---------|-----------------------|---------|
|              |                            | Minimum                         | Planned | Maximum | Minimum               | Maximum |
| I            | 1                          | 28                              | 29      | 35      | 1,000                 | 2,000   |
| II           | 1                          | 28                              | 29      | 35      | 1,000                 | 2,000   |

If the Declaration is recorded amongst the Public Records of the County, and if Subsequent Phase I is submitted to condominium ownership as part of the Offered Condominium as planned, there shall be a total of two (2) Buildings and fifty-eight (58) Dwelling Units in the Offered Condominium, together with one hundred eighteen (118) parking spaces. Developer has, however, reserved the right to include a maximum of seventy (70) Dwelling Units in the Offered Condominium.

While Developer plans to construct the number of Buildings, the number of Dwelling Units and the size of Dwelling Units as set forth above, Developer reserves the right to vary from the Developer's plan within the minimum and maximum ranges as also set forth above. In the event the Developer varies from Developer's plan for the Initial Phase, then the form of Declaration and exhibits thereto (the form of Declaration is Exhibit I hereto) will be revised accordingly, if necessary, prior to the recordation of the Declaration amongst the Public Records of the County.

Developer may, in its sole discretion, but shall not be obligated to, submit the Subsequent Phases to condominium ownership as part of the Offered Condominium.

Further, the descriptions relating to Phases or Exhibits referred to in this Section 1.4 of this Offering Circular, including, but not limited to, legal, graphic, numerical, narrative and the like, are approximations and Developer has reserved the right in the Declaration to the fullest extent permitted by law to change such descriptions as to a Phase by changing the Declaration prior to the recordation thereof or by recording an amendment thereto subsequent to the recordation thereof, provided that no such change as to any Phase may be made after Developer conveys a Dwelling Unit in such Phase to a Dwelling Unit Owner.

#### 1.5 Sheridan Beach Club Condominium Association Number Two, Inc.

The operation of the Offered Condominium will be by the Board of the Association elected or designated in accordance with the Articles of Incorporation of the Association ("Articles"). It is intended that the Association shall be responsible for operating any other condominium, if any, created in "Sheridan Beach Club" (as defined in the Declaration) subject to the terms and restrictions of the "Condominium Documents" (as such term is defined in Section 2 of this Offering Circular); however, Developer has reserved the right to incorporate an additional association(s) to operate any other condominium(s) within Sheridan Beach Club.

#### **THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE BOARD AFTER A MAJORITY OF THE CONDOMINIUM UNITS HAVE BEEN SOLD.**

This right of control terminates at the time set forth in Article IX of the Articles.

The Offered Condominium is operated by the Association. Each Dwelling Unit Owner is a member of the Association as provided in the Articles, a copy of which is attached hereto as Exhibit 2.

#### 1.6 Utility Services

Developer has provided for the availability of various utility services required for the Offered Condominium. Sewage, water and storm drainage are provided by the City of Dania Beach. Present plans call for substantially all utility lines for electricity and telephone service for the Offered Condominium to be placed underground. Electric service will be supplied by Florida Power

& Light Company. Telephone service is available from BellSouth. Trash collection will be supplied by Waste Management, Inc. Satellite television service will be supplied by ATT Broadband.

## SECTION 2: DISCUSSION OF CONDOMINIUM DOCUMENTS AND RESTRICTIONS CONTAINED THEREIN

This section of the Offering Circular is devoted to a discussion of the condominium documents for the Offered Condominium (such condominium documents, together with this Offering Circular, are herein collectively referred to as the "Condominium Documents") and attempts to highlight certain points contained within these documents. This section, however, is not intended to and should not serve as a substitute for reading all of the Condominium Documents.

### 2.1 Declaration of Condominium and Rules and Regulations - Restrictions Contained Therein

The Declaration is the document which, when recorded by Developer amongst the Public Records of the County, submits the Initial Phase of the Offered Condominium to condominium ownership. Developer intends to submit Subsequent Phases to condominium ownership as and when they are completed by the recording of separate amendments to the Declaration, if added to the Offered Condominium. The proposed form of the Declaration and the form of amendment to the Declaration to add Subsequent Phases are attached hereto as Exhibits 1 and 1A, respectively. Attached to the amendment adding a Subsequent Phase to the Offered Condominium shall be the actual Survey for the Subsequent Phase which shall describe the dimensions of the Dwelling Units, if any, and show the location of the Common Elements.

Articles 3, 5, 6 and 7 of the Declaration describe the three (3) Phases and phase development of the Offered Condominium. Article 9 of the Declaration sets forth that each Owner or the Owners, collectively, of a Dwelling Unit has or have together one (1) vote in the Association. The Declaration sets forth the formula for determining the share of Common Elements, "Common Expenses" and "Common Surplus" (as such terms are defined in the Declaration) appurtenant to each Dwelling Unit. The obligation to pay Common Expenses for the operation and maintenance of the Offered Condominium and provisions for "Assessments" are set forth in Articles 21, 22 and 23 of the Declaration. The Declaration has no stated length of term and can be terminated as set forth in Article 32 thereof.

The Offered Condominium will include landscaped areas and paved areas to be located in the three (3) Phases. As part of the costs and expenses of the Offered Condominium, Dwelling Unit Owners are required to pay the costs and expenses of maintenance of these landscaped areas and paved areas, as well as the maintenance of the portions of the Buildings not included in the Dwelling Units and the recreational facilities, in accordance with their shares.

Sections 2.1.1 through 2.1.8 are a summary of other restrictions, rights and obligations contained in the Declaration.

### 2.1.1 Share of Common Elements, Common Expenses and Common Surplus

The share of ownership of the Common Elements appurtenant to each Dwelling Unit, the share of Common Surplus to which each Dwelling Unit is entitled and the share of Common Expenses each Dwelling Unit Owner will bear is set forth in Article 8 of the Declaration. The shares are based upon relative square footage of each Dwelling Unit to the total square footage of all the Dwelling Units taken together and will decrease for each Dwelling Unit in the Initial Phase if, as and when Subsequent Phase I is submitted to condominium ownership. When and if Subsequent Phase III is submitted to condominium ownership, there shall be no change in the share appurtenant to each Dwelling Unit.

### 2.1.2 Easements

In accordance with the requirements of the Act and as set forth in Article 12 of the Declaration, perpetual nonexclusive easements will be established across, over, under and upon the walks and other rights-of-way located within the Offered Condominium if, as and when the Declaration and/or an amendment to the Declaration is recorded so as to provide a means of ingress and egress to publicly dedicated streets and for other purposes for the convenience and benefit of members of the Association, Dwelling Unit Owners and their family members, guests, invitees and lessees. Perpetual nonexclusive easements will also be established pursuant to Article 12 of the Declaration over the Common Elements of the Offered Condominium for the maintenance, installation and repair of facilities, including utilities, and Developer has reserved unto itself and has granted to the Association the right to impose upon the Common Elements of the Offered Condominium such easements for the foregoing purposes as Developer or the Association, as the case may be, deems to be in the best interest of the Offered Condominium. (See Article 12 of the Declaration attached hereto as Exhibit I). Further, in the event the Declaration is recorded amongst the Public Records of the County and Developer does not submit the Subsequent Phase to condominium ownership as part of the Offered Condominium, Developer has reserved the right as set forth in Article 31 of the Declaration to develop upon the land planned to have been included in the Subsequent Phases "Other Units" (as hereinafter defined) which shall not be part of such Offered Condominium but which shall have as an appurtenance to and a covenant running with such Other Units a perpetual nonexclusive easement over, across and through the Initial Phase for the benefit of the Dwelling Unit owners of such Other Units ("Other Unit Owners") and their family members, guests, invitees and lessees, and a perpetual nonexclusive easement for ingress and egress and access to, over and across the walks and other rights-of-way in the Offered Condominium from and to public ways, including dedicated streets. Similarly, Dwelling Unit Owners in the Offered Condominium shall have a perpetual nonexclusive easement for ingress and egress and access to, over and across any walks and other rights-of-way on the land planned to have been included in a Subsequent Phase if not added to the "Condominium Property" (as defined in the Declaration). The determination of whether such cross-easements shall be established shall be made at the time the "Withdrawal Notice," if any, as defined in Article 7 of the Declaration, is recorded in the Public Records of the County.

Please see Section 6 of this Offering Circular for a discussion about easements other than those set forth in the Declaration which affect the Offered Condominium, as well as Sections 2.1.9 and 2.1.10.

### 2.1.3 Occupancy and Use Restrictions

Article 17 of the Declaration contains restrictions on the use of a Dwelling Unit, as well as all other property within the Offered Condominium. Among other provisions, it states that the Dwelling Units may be used for single-family residences only and may not be used for commercial purposes, no separate part of a Dwelling Unit may be rented and no transient may be accommodated therein for compensation or commercial purposes, no Dwelling Unit may be rented for a period of less than three (3) months, and no Dwelling Unit may be rented more than once within any twelve (12)-month period.

Certain restrictions affecting the Dwelling Unit Owners regarding pets, among other things, are set forth in the Declaration and in the Rules and Regulations for the Offered Condominium (Exhibit 5 hereto). There are no restrictions with respect to children. The Declaration provides that livestock, poultry and exotic pets may not be kept, harbored, raised or bred in the Offered Condominium, and that no Dwelling Unit Owner is permitted to keep more than one (1) domestic pet, being limited to a dog and/or cat, whether temporary or permanent and not to exceed forty (40) pounds in weight, in his or her Dwelling Unit, provided, however, under no circumstances may any breed of dog known for its viciousness or ill-temper (for example, a "Pit Bull") be permitted on any portion of the Condominium Property. The Association may promulgate rules and regulations designating specific areas for the walking and exercise of pets (including leashing requirements) and such other matters and restrictions as it deems necessary to regulate pets.

Article 15 of the Declaration provides that each Dwelling Unit will be assigned one (1) parking space. Sixty (60) parking spaces have been designated as, and will be available for, guest parking. Five (5) parking spaces are set aside for handicapped parking. If a handicapped person purchases a Dwelling Unit, a handicapped parking space will be assigned to that Owner's Dwelling Unit.

### 2.1.4 Sale, Transfer or Leasing of Dwelling Units; Rights of Mortgagees

#### **THE SALE, LEASE OR TRANSFER OF YOUR CONDOMINIUM UNIT IS RESTRICTED OR CONTROLLED.**

The Association has the right to either approve the sale or transfer of all Dwelling Units, or find a substitute purchaser or transferee on equal terms within thirty (30) days.

The sale of Dwelling Units is subject to the restrictions set forth in Article 19 of the Declaration, which are established in order to protect the value of the Dwelling Units. No Dwelling Unit Owner (other than Developer) may sell or transfer his or her Dwelling Unit without the approval of the Association. The Dwelling Unit Owner must give proper notice ("Transfer

Notice") to the Association of his/her intention to sell or transfer his/her Dwelling Unit, together with any approval fee required by the Association and the name and address of the intended purchaser or transferee ("Transferee") and the terms of such sale or transfer. The approval fee may initially be One Hundred and No/100 (\$100.00) Dollars (which is the amount now permitted by the Act) or such greater amount as may be permitted by the Act in the future. After receipt of the Transfer Notice and within the time periods hereinafter set forth, the Association shall either approve the offering or furnish to the Dwelling Unit Owner giving the Transfer Notice the name and address of a substitute Transferee offering terms as favorable to the Dwelling Unit Owner as had been offered by the intended Transferee selected by the Dwelling Unit Owner, except that the Transferee furnished by the Association may not have less than thirty (30) days subsequent to the date of the Association's approval within which to complete the sale or transfer of the Dwelling Unit. Such Dwelling Unit Owner shall be bound to consummate the transaction with such Transferee as may be approved and furnished by the Association.

If the Association approves the sale or transfer, such approval shall be in writing and in recordable form, signed by any two (2) officers of the Association, and shall be delivered to the Transferee. Failure of the Association to grant approval or to furnish a substitute Transferee within thirty (30) days after the Transfer Notice is received shall constitute approval and the Association shall be required to prepare and deliver to the Transferee a written approval in recordable form signed by two (2) officers of the Association. Notwithstanding the above, in the event a Dwelling Unit Owner does not wish to sell or transfer his Dwelling Unit or any interest therein to any Transferee other than the Transferee named in the Transfer Notice, then such Dwelling Unit Owner shall state this intent in the Transfer Notice ("Restricted Transfer Notice") and the Association, within thirty (30) days after receipt of the Restricted Transfer Notice, other reasonably requested information and the approval fee shall either grant approval in the manner set forth above or deny approval by furnishing to the Dwelling Unit Owner notice of such denial of the Transferee named in the Restricted Transfer Notice.

In the event the Association denies approval of the Transferee named in the Restricted Transfer Notice, then the Dwelling Unit Owner cannot sell or transfer his or her Dwelling Unit unless and until he or she submits another Transfer Notice or Restricted Transfer Notice to the Association and the procedure for same as set forth above is followed. Failure of the Association to grant approval or, in the case of a Transfer Notice which is not a Restricted Transfer Notice, to furnish a substitute Transferee or, in the case of a Restricted Transfer Notice, to deny approval within thirty (30) days after the Transfer Notice or the Restricted Transfer Notice, as the case may be, is received shall constitute approval, and the Association shall be required to prepare and deliver to the Transferee a written approval in recordable form signed by two (2) officers of the Association.

The leasing of Dwelling Units is subject to the restrictions set forth in Article 19 of the Declaration.

A Dwelling Unit Owner, prior to allowing an intended tenant to move into his or her Dwelling Unit or providing a key to the Dwelling Unit to the intended tenant, shall obtain the written approval of the Association. The Dwelling Unit Owner shall give the Association a copy of

executed lease and any additional information required, and the Association shall issue its or disapproval of the lease within five (5) days of the receipt of such information.

Any person (except the spouse, parents or children of a Dwelling Unit Owner) who has obtained a Dwelling Unit by gift, devise or inheritance, or by another method not heretofore considered, shall give to the Association notice ("Acquisition Notice") of the fact of obtaining such Dwelling Unit, together with the approval fee and information concerning the person obtaining the Dwelling Unit as may be reasonably required by the Association, and a certified copy of the instrument by which the Dwelling Unit was obtained. If the Acquisition Notice to the Association herein required is not given, then at any time after receiving knowledge of the gift, devise or inheritance, or other transaction, the Association may, at its election, approve or disapprove the transaction, and the Association shall proceed as if it had received the required Acquisition Notice on the date of such knowledge. Within thirty (30) days after receipt of the Acquisition Notice or knowledge, as the case may be, the Association must either approve or disapprove the transfer of title by gift, devise or inheritance, or otherwise, to the person receiving the same. The approval of the Association shall be in recordable form signed by any two (2) officers of the Association and delivered to the person (or any of them if there is more than one [1] person) obtaining title.

Failure of the Association to act within such thirty (30) day period shall be deemed to constitute approval, following which the Association shall prepare and deliver written approval in the manner set forth above. If the Association shall disapprove, then it shall advise the Dwelling Unit Owner holding title of a purchaser or purchasers who will buy the Dwelling Unit at a price equal to fair market value determined by M.A.I. appraisers or by mutual agreement between the purchaser and the Dwelling Unit Owner holding title. If the Association shall fail to provide a purchaser within the time provided for, or if the purchaser furnished by the Association shall default in his acquisition, then the Association shall be required to approve the passage of title by gift, devise, inheritance or other transaction and deliver a certificate of approval.

An "Institutional Mortgagee" (as defined in the Declaration) holding a mortgage on a Dwelling Unit, upon becoming a Dwelling Unit Owner through foreclosure or by deed in lieu of foreclosure, or whomsoever shall acquire title to a Dwelling Unit as a result of a foreclosure sale by an Institutional Mortgagee, shall have the unqualified right to sell, lease, mortgage or otherwise transfer said Dwelling Unit, including the fee ownership thereof, without prior offer to or approval by the Association.

The foregoing provisions have been established in order to maintain a community of congenial residents in the Offered Condominium and to assure the reliability of each Dwelling Unit Owner in paying those obligations required to be paid by the Dwelling Unit Owners. Under no circumstances may the provisions hereof be used to foster discrimination or to deny the purchase of any Dwelling Unit on account of a person's race, religion, creed or place of national origin, handicap or familial status.



### 2.1.5 Obligation of Maintenance and Repair

The obligation of maintenance and repair of the Condominium Property of the Offered Condominium is either that of the Association or of the Dwelling Unit Owner, as set forth in Article 20 of the Declaration. For example, the exterior of the Dwelling Units, the maintenance of which is the obligation of the Association, shall not be painted, decorated or modified by any Dwelling Unit Owner without prior consent of the Association, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Association. The Declaration further provides that the Dwelling Unit Owner is responsible to maintain in good condition and to repair and replace at his or her expense all portions of his or her Dwelling Unit, including all window panes and window screens and certain portions of the Limited Common Elements appurtenant thereto, as specified in the Declaration, and is not to make any alteration or repair which would jeopardize or impair the safety or soundness of the Building, the Common Elements or the architectural design of the Building. The Association is responsible for the maintenance, repair and replacement of all of the Common Elements (except as described above with respect to certain of the Limited Common Elements) and all exterior surfaces of the Building. Plumbing and electrical repairs within a Dwelling Unit are the financial obligation of the Dwelling Unit Owner. Additional obligations of maintenance by the Association and Dwelling Unit Owners are set forth in Article 20 of the Declaration.

### 2.1.6 Insurance

The Association shall purchase liability and casualty insurance for the purpose of providing liability and casualty insurance coverage for the Common Elements as set forth in Articles 13 and 14 of the Declaration. Certain coverage, as discussed hereinbelow, in addition to that provided by the Association, shall, however, be the responsibility of the Dwelling Unit Owner.

The Association, pursuant to the Articles, agrees to indemnify and hold Developer harmless from and against any and all claims, suits, actions, damages, and/or causes of action arising from any personal injury, loss of life, and/or damage to property sustained in or about the Offered Condominium or the appurtenances thereto. The insurance purchased by the Association is intended to cover this indemnity. Included in this indemnification are any expenses that Developer may be compelled to incur in bringing suit for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in the Declaration to be kept and performed by the Association.

In the event the insurance proceeds are insufficient to cover a loss to any improvements within any of the Dwelling Units and/or improvements within the Common Elements, the Dwelling Unit Owner shall be responsible for the deficiency in the manner set forth in Article 14 of the Declaration. Each Dwelling Unit Owner shall be responsible for purchasing casualty insurance to provide coverage in such event. Each Dwelling Unit Owner is also responsible for the purchase of casualty insurance, including water damage, for any personal property or improvements in his or her Dwelling Unit, including, but not limited to, floor coverings, wall coverings, ceiling coverings, electrical fixtures, appliances, air conditioning or heating equipment, water heaters and built-in cabinets. In addition, each Dwelling Unit Owner is responsible for purchasing insurance

against liability for the acts or omissions of the Association in relation to the use of the Common Elements (which liability may be imposed pursuant to Section 718.119 of the Act). Finally, each Dwelling Unit Owner shall be responsible for purchasing liability insurance for accidents occurring in his or her own Dwelling Unit or for accidents or damages for which he is liable, including water damage to Dwelling Units or Common Elements, caused by his or her act or failure to act and for any additional liability insurance he or she so desires.

Each Dwelling Unit Owner should contact his insurance agent to determine the extent such personal coverage is advisable in addition to the coverage provided by the Association. Please refer to the Declaration (Articles 13 and 14) for further details.

#### 2.1.7 Right of Developer to Lease Dwelling Units and Other Rights

##### **THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.**

Developer's plan includes a program of selling or leasing Dwelling Units, or selling them subject to such leases. If Developer exercises either its right to lease or to sell subject to a lease, it is anticipated that the lease will be a typical residential lease with a probable term of one (1) year. However, the term of the lease could be two (2) years or longer. A form of lease that Developer may use with respect to Dwelling Units is set forth as Exhibit 11. Developer reserves the right to change its form of lease, but the provisions of the form of lease will remain substantially the same. In the event Developer exercises any of these rights, the particular Dwelling Units will be designated and the Dwelling Units so designated may be transferred subject to a lease.

Developer has also reserved the right in Article 30 of the Declaration to transact on the Condominium Property of the Offered Condominium and on property owned by the Association ("Association Property"), if any, all business necessary to consummate the sale and/or lease of Dwelling Units, including, but not limited to, the right to maintain models, place signs, have employees in the area, use the Common Elements and show Dwelling Units. There are other provisions in the Condominium Documents giving certain rights to Developer, such as selection of members of the Board (see Article LX of the Articles); provisions allowing rule approval (see Article 31 of the Declaration); and a limited right to amend the Declaration (see Article 29 thereof).

#### 2.1.8 Right of Developer to Develop Other Units

Article 31 of the Declaration provides that Developer may develop Other Units upon the portion of the Land which is currently intended to be a Subsequent Phase of the Offered Condominium if ultimately not submitted to condominium ownership as part of the Offered Condominium. "Other Unit" means a Dwelling Unit other than a Dwelling Unit within the Offered Condominium which is: (i) constructed upon a portion of the land within a proposed Subsequent Phase; (ii) subject to exclusive ownership; and (iii) intended as an abode for one (1) family or for commercial purposes, so long as there are also residential units included in any such condominium. Other Units, if any, shall be subject to the condominium form of ownership, but shall not be subject to or governed by the Declaration for the Offered Condominium.

If so determined by Developer, where Other Units, if any, are submitted to the condominium form of ownership, the Association may be responsible for the operation and maintenance of the Other Units, in which event the Other Unit Owners would be members of the Association. (See Section 2.2 of this Offering Circular.)

#### 2.1.9 Conservation Easement

Pursuant to that certain Joint Deed of Conservation Easement and Agreement recorded or to be recorded in the Public Records ("Conservation Easement") given by Developer and affiliates of Developer ("Grantor") to South Florida Water Management District ("SFWMD") and Broward County, their successors and assigns ("Grantees"), together with a permit issued by SFWMD ("District Permit") and a license issued by the Broward County Department of Environmental Protection ("DPEP License"), two (2) parcels of property, one (1) being adjacent to the Condominium Property and one (1) being off-site, comprising preservation or mitigation areas and upland buffers (the "Conservation Area") will be protected and maintained in perpetuity in their natural, vegetative, hydrologic, scenic, open, agricultural or wooded condition and as suitable habitat for fish, plants or wildlife. The District Permit and DPEP License are collectively referred to as the "Permits" and are attached hereto as Exhibit 13. Upon the recordation of the Declaration, the responsibilities and liabilities associated with the Conservation Area shall be fully assumed by the Association and Developer shall be released from its obligations. The Association will also be responsible for all costs and expenses associated with maintenance of the Conservation Area, including real property taxes and assessments and all costs of insurance, which shall be Common Expenses of the Association. Developer may deed all or any portion of the Conservation Area to the Association, without any prior notice to the Association.

#### 2.1.10 Access Easement

Pursuant to that certain Amended and Restated Easement and Maintenance Agreement, as recorded in the Public Records ("Easement Agreement"), included in Exhibit 12 to the Offering Circular, access and ingress to and egress from the Condominium Property is provided over, across and upon property contiguous to the Condominium Property and additional property contiguous thereto. The easement property contiguous to the Condominium Property will be deeded to the Sheridan Beach Club Condominium Association Number One, Inc. ("Association One Easement Area") and the easement property contiguous to the Association One Easement Area is part of the condominium property of Sheridan Beach Club Condominium Number One, a Condominium ("Condominium One Easement Area"), together, the "Access Area." Located within the Association One Easement Area is or will be an entry gate for the use of the Association and the Dwelling Unit Owners, as well as the unit owners in and the condominium association operating Sheridan Beach Club Condominium Number One, a Condominium ("Condominium One"). Pursuant to the Easement Agreement, the Association and the Dwelling Unit Owners have certain rights and obligations with respect to the Access Area, including payment of one-half (1/2) of the costs of maintenance, repair and replacement of the Association One Easement Area, including costs of the gate, the balance to be paid by the owners of the forty-four (44) units in Condominium One, and one-third (1/3) of the cost of maintenance, repair and replacement of the Condominium One

Easement Area, the balance to be paid by the Condominium One unit owners and the owner of a contiguous commercial parcel.

## 2.2 Articles of Incorporation of Sheridan Beach Club Condominium Association Number Two, Inc.

The Offered Condominium shall be administered, operated and maintained by the Association. The Association is a corporation not for profit organized or to be organized under Chapter 617, Florida Statutes. The legal document which establishes the Association is its Articles of Incorporation ("Articles," Exhibit 2 hereto). The Articles have been or will be filed with the Secretary of State of the State of Florida and set forth the purposes and powers of the Association. The Articles provide that the membership of the Association shall comprise Dwelling Unit Owners in the Offered Condominium and, under certain circumstances, Other Unit Owners, if any. Each Member (or Members collectively if a Dwelling Unit is owned by more than one [1] Owner) is entitled to one (1) vote for each Dwelling Unit owned by him or her (or them or it, as the case may be). The Articles also set forth the qualifications for members of the Board and for the election of directors. Each Dwelling Unit Owner shall become a Condominium Member of the Association by acquisition of ownership of fee title to a Dwelling Unit as evidenced by the recording of the instrument of conveyance amongst the Public Records of the County.

New Members shall deliver to the Association a certified copy of the deed of conveyance, letter of approval or other instrument of acquisition of title to the Dwelling Unit in accordance with Article 19 of the Declaration.

If, as and when more than one (1) Sheridan Beach Club Condominium is submitted to condominium ownership, with operation of such condominiums to be by the Association, membership in the Association shall be divided into classes ("Class Members") with Owners in each "Sheridan Beach Club Condominium" (as defined in the Articles) constituting a class. Each class shall be designated by a Roman numeral denoting the identification number of such Sheridan Beach Club Condominium. The Articles provide that "Purchaser Members" (Dwelling Unit Owners in the Offered Condominium and Other Unit Owners, if applicable, other than Developer) shall elect at least one-third (1/3) of the Board upon the conveyance by Developer to Purchaser Members of fifteen percent (15%) of the Dwelling Units in any one (1) Sheridan Beach Club Condominium whose Dwelling Unit owners are Members of the Association. Purchaser Members shall be entitled to elect a majority of the Board upon the happening of any one of the events set forth in Article IX of the Articles. These provisions are designed to assure Purchaser Members representation on the Board and to provide a method for the ultimate control of the Association by its Members.

## 2.3 Bylaws of Sheridan Beach Club Condominium Association Number Two, Inc.

The Bylaws of the Association ("Bylaws") (Exhibit 3 hereto) specifically detail the everyday working features of the Association. For example, the Bylaws describe how and when the meetings of the Members, "Class Members" (as defined in the Articles), if any, and Board are held and the powers and duties of the directors and officers of the Association. The Bylaws also set forth the items that make up the proposed operating budget of the Association ("Budget") and provide for

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a procedure for preparation and approval of the Budget. For a discussion as to the allocation of expenses of the Association amongst Dwelling Unit Owners, see Section 4 of this Offering Circular.

## 2.4 Miscellaneous Documents

Certain other documents attached as Exhibits hereto and not previously discussed include: (a) Proposed Operating Budget ("Budget") showing the anticipated expenses of the Association and the Notes to the Budget (Exhibit 4); (b) Escrow Agreement, which provides that the "Escrow Agent," as defined therein, may hold an irrevocable letter of credit or surety bond as an alternative assurance for deposit monies up to the amount of ten percent (10%) of the purchase price of a Dwelling Unit (Exhibit 9); (c) form of Contract for Purchase and Sale (Exhibit 7); (d) Rules and Regulations for Sheridan Beach Club Condominium Number Two (Exhibit 5); (e) Affidavit of Evidence of Developer's Ownership of the Land Upon Which the Condominium Will Be Built (Exhibit 15); (f) Receipt for Condominium Documents, which is used in conjunction with delivery of this Offering Circular (Exhibit 17); (g) floor plans of the Dwelling Units (Exhibit 8C); (h) the Site Plan for Sheridan Beach Club (Exhibit 8A) and (i) Form of Parking Space Assignment (Exhibit 14).

## SECTION 3: DESCRIPTION OF DWELLING UNITS AND FACILITIES FOR COMMON USE

### 3.1 Information Regarding Dwelling Units in the Offered Condominium

The following schedule shows each type of Residential Unit in the Offered Condominium and the number of bedrooms and baths contained in each type of Residential Unit. The Phase, Residential Unit type and Residential Unit number can be determined from the Surveys for each Residential Unit in the Offered Condominium, which are attached as Exhibit 8B hereto. The floor plans attached as Exhibit 8C also show the various options which a purchaser may choose for his Residential Unit.

| PHASES | TOTAL DWELLING UNITS (NOTE 1) | NUMBER DWELLING UNITS | NUMBER OF BEDROOMS IN EACH DWELLING UNIT (NOTE 2) |         |         | NUMBER OF BATHROOMS IN EACH DWELLING UNIT |         |        |
|--------|-------------------------------|-----------------------|---|---------|---------|---|---------|--------|
|        |                               |                       | Min.  | Planned | Max.    | Min.                                      | Planned | Max.   |
|        |                               |                       | I   | 29      | 4<br>25 | 1<br>1                                    | 2*<br>2 | 3<br>3 |
| II     | 29                            | 4<br>25               | 1<br>1  | 2*<br>2 | 3<br>3  | 1<br>1                                    | 2<br>2  | 3<br>3 |

\* plus den

Note: These designations do not prevent or prohibit the combining of two (2) or more Dwelling Units into one (1) Dwelling Unit or, if combined, the subsequent severance

of those Dwelling Units into their component parts, provided that the foregoing are done in accordance with the Declaration.

Note: These designations do not preclude rooms in a Dwelling Unit from being combined, nor do they prevent or require the use of any specific room in any manner otherwise lawful, nor prevent the conversion of any such room into a bedroom or another use.

The estimated date of completion of the Offered Condominium is the fourth quarter of 2004.

### 3.2 Recreational Facilities Included in Common Elements of the Offered Condominium

The Common Elements which are contained within the Offered Condominium consist of the Condominium Property of the Offered Condominium which is not included within a Dwelling Unit, as more particularly described on the Surveys of the Offered Condominium which comprise Exhibit 8B to this Offering Circular. Included within the Common Elements of Phase III are recreational facilities which are planned to consist of the following: a pool deck of approximately nine hundred eighty (980) square feet, with a capacity to serve thirty (30) persons; an unheated swimming pool of approximately seven hundred sixty (760) square feet, with a minimum depth of three (3) feet and a maximum depth of five and one-half (5 ½) feet, with a capacity to serve fourteen (14) persons; and, a cabana containing two (2) bathrooms of approximately four hundred seventy-five (475) square feet, with a capacity to serve eight (8) persons. Developer intends to spend approximately One Thousand and No/100 (\$1,000.00) Dollars to provide personal property to serve the pool area.

### **RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF CONDOMINIUM UNIT OWNERS OR THE ASSOCIATION.**

While Developer currently has no plans to expand the recreational facilities as currently planned, it retains the right to do so in its sole discretion.

## SECTION 4: MONETARY OBLIGATIONS OF ACQUISITION; EXPENSES OF OWNERSHIP; PROPOSED OPERATING BUDGET

### 4.1 Acquisition Expenses

The following is a schedule of estimated expenses or items of expense, in addition to the purchase price, to be paid by the purchaser at the Closing. (The "Closing" is the point in time when the purchaser pays the balance of the purchase price due and is delivered a Special Condominium Warranty Deed from Developer conveying title to the purchased condominium parcel to the purchaser and when a purchase money mortgage, when applicable, and various other "closing documents" completing the purchase of the condominium parcel are executed).

1. Documentary stamps on the Special Condominium Warranty Deed calculated at \$.70 per \$100.00 of purchase price.

2. Recording the Special Condominium Warranty Deed, calculated at \$6.00 for the first page thereof and \$4.50 for each additional page.
3. Utility Deposits.
4. Real property taxes and assessments prorated as of the date of the Closing as described in the Contract (Exhibit 7 hereto).
5. Assessment for Common Expenses, prorated from the date of the Closing to the end of the month in which the Closing takes place and collected in advance for the following calendar month and a reimbursement to Developer for any amounts which it has paid to the Association with respect to the Dwelling Unit for reserves for deferred maintenance and/or replacement of capital improvements.
6. Mortgage closing costs if a mortgage loan is utilized, including loan points, abstracting (typically, \$150.00), credit report, recording fees (\$6.00 for the first page of an instrument and \$4.50 for each additional page), intangible tax (\$0.20 per \$100.00), documentary stamps on the promissory note (\$0.35 per \$100.00), mortgage title insurance policy and endorsements (typically, \$225.00), settlement or closing fee (typically, \$295.00), courier fees (typically, \$95.00), title re-certification and post-closing packaging (typically, \$175.00), etc.
7. Insurance premiums in the event insurance coverage in addition to that provided by the Association is obtained by the Dwelling Unit Owner. Please refer to Section 2.1.6 of this Offering Circular for further details. Each Dwelling Unit Owner should consult his/her insurance agent to determine the extent such personal coverage is advisable in addition to the coverage provided by the Association.
8. Attorney's fees for any attorney retained by purchaser may be payable at the Closing.
9. A "Working Fund Contribution" to the Association equal to a two (2) months' share of the Common Expenses pursuant to the initial Budget, which sum shall not be credited against the Assessment for Common Expenses.
10. Reimbursement, if any, to Developer for any and all capital improvements.
11. Reimbursement, if any, to Developer of an amount equal to the initial capital assessment which Developer paid to the Association for the Dwelling Unit.
12. Reimbursement, if any, for utility deposits paid by Developer for the Dwelling Unit.



13. Late charges, if any, as described in the Contract (Exhibit 7 hereto).
14. An administrative closing fee to Developer of \$495.00.
- \* Developer shall provide purchaser with a Title Insurance Policy, issued by Developer's choice of title agent and title insurance company, at its cost.

In the instance when a Contract is executed prior to the completion date provided therein, all deposit monies received by Developer from a purchaser prior to Closing shall be deposited in an escrow account until the amount deposited shall equal ten percent (10%) of the purchase price. Notwithstanding anything hereinabove, however, pursuant to the Escrow Agreement attached hereto as Exhibit 9, the "Escrow Agent" (as defined therein) may hold an irrevocable letter of credit or surety bond as an alternative assurance for deposit monies not exceeding ten percent (10%) of the purchase price of a Dwelling Unit, at Developer's option.

#### 4.2 Expenses of Ownership

The following constitutes a summary of the mandatory financial obligations of Dwelling Unit Owners payable to the Association as Common Expenses during the calendar year and periods of time described in the Budget attached as Exhibit 4 to this Offering Circular. The Budget is not intended nor should it be considered all-inclusive or as a representation, guarantee or warranty of any kind whatsoever of all expenses to be incurred as a result of ownership. For example, the Budget does not include real estate taxes, Dwelling Unit Owner insurance or telephone or utility bills which are billed directly to the Dwelling Unit Owner and not through the Association, nor does the Budget constitute any warranty or guarantee as to any "Special Assessments" as defined in and which may be necessary and levied under the Declaration.

The nonpayment of Common Expenses by other Dwelling Unit Owners in the Offered Condominium can affect your Assessments. The Association collects the Common Expenses on a monthly basis.

#### 4.3 Budgetary Materials

##### 4.3.1 Procedure for Preparation of the Budget

The Bylaws of the Association provide for the Board of the Association to adopt the Budget for each year for the estimated Common Expenses for the Offered Condominium. The Budget includes the various items of expense set forth in Section 7.2 of the Bylaws. A copy of each proposed Budget and the proposed Assessments for each year are to be transmitted to each Dwelling Unit Owner by the Board of the Association in accordance with the Bylaws. The budget appears as Exhibit 4 to this Offering Circular.

#### 4.3.2 Guarantee and Guarantee Period

The Budget for the Offered Condominium is attached hereto as Exhibit 4 and has been prepared with the aid of Developer. In preparing the Budget, Developer's experience with other condominium developments in Florida which have been developed by Developer has been used. Developer believes that the Budget is reliable; however, reference should be made to the Notes to the Budget in reading and understanding the assumptions used in preparing the Budget. Further, because actual expenditures may differ from estimated expenditures and because of possible changes in the future expenses of the Offered Condominium, the Budget is not intended nor should it be considered as a representation, guarantee or warranty of any kind whatsoever including, without limitation, that the actual expenses for any period of operation may not vary from the amount estimated, that the Association will not incur additional expenses or that the Association will not provide for additional reserves or other sums not reflected in the proposed Budget. (This disclaimer language with respect to the accuracy of the budget in no way affects the "Guarantee for Common Expenses" discussed hereinbelow).

Section 718.112(2)(f)2 of the Act requires that the Budget include a reserve account for capital expenditures and deferred maintenance for items including, but not limited to, roof replacement, building painting and pavement resurfacing and for any other item for which the deferred maintenance expense or replacement cost exceeds Ten Thousand and No/100 (\$10,000.00) Dollars, unless, by a majority vote at a duly called meeting of the Association, it is voted to provide no reserves or reserves less adequate than required by the Act. The estimated full amount of such reserves is described in the Budget (Exhibit 4 to this Offering Circular), however, the Developer intends to vote its votes in the Association to waive statutory reserves, as permitted by the Act.

Developer recognizes that by reason of difficulties normally encountered in initially setting up the management and operation of a new development, it is useful to provide some form of guarantee of assessments for initial operations. Accordingly, Developer hereby agrees with each purchaser of a Dwelling Unit that the Assessments for Common Expenses of the Association will be determined as if the Condominium were fully built out, less reserves, notwithstanding that there will be initially fewer Dwelling Units than there will be at full buildout. Developer shall pay the portion of the anticipated Common Expenses of the Association not generated by Assessment of Dwelling Units ("Guarantee for Common Expenses"). The expiration of the guarantee period ("Guarantee Period for Common Expenses") is December 31, 2004; provided, however, that the Guarantee Period for Common Expenses shall terminate on the date of the Majority Election Meeting in the event the Majority Election Meeting occurs prior to December 31, 2004. This Guarantee for Common Expenses will not relieve Developer from paying Assessments for any Dwelling Units which it may own. This Guarantee for Common Expenses specifically excludes the Special Assessments described below, as well as reserves. This Guarantee for Common Expenses is not the statutory guarantee allowed by Section 718.116(9)(a)2 of the Act.

Developer reserves the right to extend the Guarantee Period for Common Expenses for one (1) year. During the extension of the Guarantee Period, if any, the Guarantee for Common Expenses may be amended to provide that the amount assessed as the guaranteed amount for Common Expenses of the Condominium Association shall be more than the current guaranteed

amount, but less than the amount which would be payable pursuant to the Budget for 2005 if Developer did not guarantee Assessments and shall not exceed one hundred fifteen percent (115%) of the guaranteed amount for 2004. The Guarantee Period for Common Expenses or any extension thereof shall terminate on the date of the Majority Election Meeting in the event the Majority Election Meeting occurs prior to the end of the Guarantee Period or any extension thereof. Developer's election to extend the Guarantee Period for Common Expenses and the terms of such extended Guarantee shall be specified in the Budget adopted by the Association for the period of the Guarantee extension.

#### 4.3.3 Assessment and Lien Powers

The Declaration provides procedures for allocation of Assessments, including Special Assessments, and establishes lien rights for collection of Assessments. Please refer to this document for provisions regarding Special Assessments defraying, in whole or in part, the cost of any reconstruction, unexpected repair or replacement, including the necessary fixtures and personal property relating thereto. Assessment powers and lien rights are vested in the Association.

#### 4.4 Enforcement

Under the Act and Article 21 of the Declaration, upon the default by any Dwelling Unit Owner in the payment of any Assessment, the Association may acquire a lien upon such Dwelling Unit Owner's Dwelling Unit and the share of the Common Elements appurtenant to such Dwelling Unit in the amount of such unpaid Assessment, plus interest thereon. A Dwelling Unit Owner so defaulting will be liable to the Association for court costs and reasonable attorney and paralegal fees at all trial and appellate levels and post-judgment proceedings incurred by it in the collection of such unpaid Assessment and the enforcement of its lien, the payment of which will also be secured by such lien. Such a lien will be effective upon the recording of a Claim of Lien in the Public Records of the County, and will remain in force until all amounts secured thereby, plus interest thereon, have been fully paid.

The lien may be foreclosed by a suit brought in the name of the Association, acting on behalf of the Dwelling Unit Owners, in the same manner as the foreclosure of a mortgage on real property, or an action may be brought by the Association to recover the unpaid Assessment without foreclosing the lien.

#### 4.5 Financial Impact of Other Units

Notwithstanding anything contained herein to the contrary, in the event Other Units are constructed, certain expenses pertaining to the operation and functioning of the Association and other miscellaneous matters shall be equitably allocated, as determined in the sole discretion of the Board, amongst Dwelling Unit Owners and Other Unit Owners. Accordingly, the amounts assessed to each Dwelling Unit Owner and the amounts reflected in the Budget may change if Other Units are constructed.

## SECTION 5: MANAGEMENT OF THE OFFERED CONDOMINIUM

### **THERE IS (IS TO BE) A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH MP MALONE, CAM.**

Developer shall have the Association enter into a management agreement to manage the Association and the Condominium Property with MP Malone, C.A.M.. The proposed agreement is attached to this Offering Circular as Exhibit 10. The agreement will provide that either party will be able to terminate the agreement upon thirty (30) days' written notice. The managing agent will perform its duties under the direction and supervision of the Board. Such duties would include, but not be limited to, managing paperwork of the Association, noticing meetings, collecting Assessments, and physical maintenance of the Condominium Property. Monthly and annual compensation to be paid to the managing agent is Ten Dollars (\$10.00) per Dwelling Unit and One Hundred Twenty Dollars (\$120.00) per Dwelling Unit, respectively.

## SECTION 6: OTHER EASEMENTS

In addition to the easements granted pursuant to the Declaration for the Offered Condominium and the Conservation Easement and Easement Agreement discussed in Section 2, Developer also anticipates easements for utilities to be provided for Florida Power & Light Company and BellSouth. These easements or easement rights are generally intended to allow a utility provider to enter the property described in the easement ("Easement Property") and maintain the utility servicing the Condominium Property or to provide services necessary or desirable to the Offered Condominium and the Dwelling Unit Owners. An easement will also generally restrict uses of the Easement Property to those uses that will not conflict with the intended use by the easement holder.

## SECTION 7: MULTICONDOMINIUM SUMMARY

### **THE OFFERED CONDOMINIUM MAY BE PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS MAY BE OPERATED BY THE SAME ASSOCIATION.**

In the event a Subsequent Phase of the Offered Condominium is not submitted to the condominium form of ownership as part of the Offered Condominium, Developer has reserved the right in Article 31 of the Declaration (Exhibit 1 hereto) to, among other possibilities, develop the Subsequent Phase, or any portion(s) thereof, as a separate condominium(s) which may also be operated by the Association ("Multicondominium"). The Act requires that Developer provide the following information as to a potential Multicondominium:

Article 31 of the Declaration provides for access and cross easements between the various condominiums in the event a Multicondominium is developed. Article 31 of the Declaration addresses the share of each unit owner in such Multicondominium of the Common Expenses and Common Surplus of the Association; the voting rights of each unit owner in such Multicondominium, including a unit owner's right to personally cast his or her vote; and any rights to use any facilities of other condominiums within such Multicondominium or owned, leased by or

dedicated to the Association and how any expenses therefor would be shared. Article IV of the Articles (Exhibit 2 hereto) addresses membership qualifications and voting rights in the event a Multicondominium is created. Section 7 of the Bylaws provides for the preparation of the budgets for the condominiums and the Association and how the expenses are allocated in the event a Multicondominium is created.

Developer currently has no plans to provide recreational facilities in other condominium(s) in the potential Multicondominium to which Dwelling Unit Owners will have use rights.

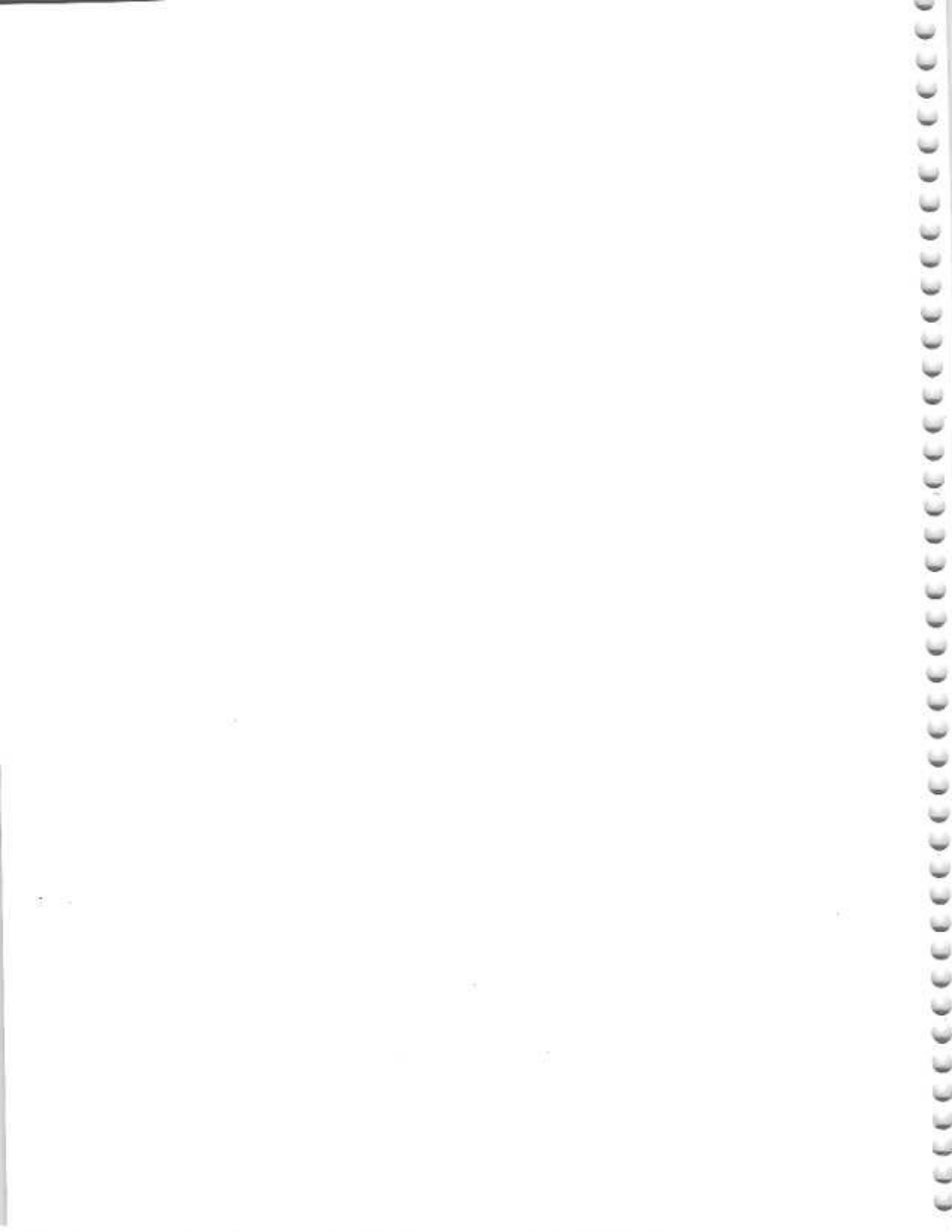
If Developer creates such a Multicondominium, there will be a minimum of two (2) condominiums and a maximum of three (3) condominiums, and the minimum and maximum number of units in each of those condominiums (other than the Offered Condominium) will be two (2) and twenty-nine (29), respectively. The exact number of condominiums and units will be determined no later than twenty (20) years from the date of recordation of the Declaration for the Offered Condominium.

If Developer creates such a Multicondominium, there may be nonresidential Dwelling Units, as well as residential units, in any additional condominiums. If a Multicondominium is created, the location and approximate acreage of the land on which any additional condominium(s) to be operated by the Association will be within a Subsequent Phase contemplated by Developer to be submitted to the Offered Condominium and described in this Offering Circular and the Declaration.

#### SECTION 8: MISCELLANEOUS MATTERS

The various land use documents required to effect the plan for development of the Offered Condominium, the submission of the Offered Condominium to condominium ownership and the sale of Dwelling Units in the Offered Condominium have been prepared by Ruden, McClosky, Smith, Schuster & Russell, P.A., 200 East Broward Boulevard, Fort Lauderdale, Florida 33302.

Calvin, Giordano & Associates, Inc., 1800 Eller Drive, Suite 600, Fort Lauderdale, Florida 33316, prepared the Surveys, legal descriptions, building plans and engineering drawings for the Offered Condominium attached hereto as Exhibits 8A and 8B and the Floor Plans attached hereto as Exhibit 8C. Calvin, Giordano & Associates, Inc., also prepared the property plans and site plans as filed with and approved by the appropriate governmental authorities.



### 3. PHASE CONDOMINIUM - LAND

The land which will have become part of the Condominium Property when, as and if all of the "Phases" (as hereinafter defined) are added to the Condominium Property is described in Exhibit A ("Land") attached hereto and made a part hereof. The legal description of the portion of the Land ("Initial Phase Land") constituting "Phase II" of the Condominium Property is set forth on Exhibit B-2 attached hereto and made a part hereof. The legal descriptions of the portions of the Land constituting the "Subsequent Phases" (as hereinafter defined) of the Condominium Property are set forth on Exhibits B-1 and B-3, attached hereto and made a part hereof.

### 4. DEFINITIONS

The terms contained in this Declaration shall have the meanings given in the Act and, for clarification, the following terms have the following meanings:

4.1. "Act" means the Condominium Act, Chapter 718, Florida Statutes (1976), as amended through the date of recording this Declaration amongst the Public Records of the County.

4.2. "Articles" means the Articles of Incorporation of the Association, attached as Exhibit C and incorporated herein by reference.

4.3. "Assessments" means the assessments for which all Dwelling Unit Owners are obligated to the Association pursuant to the Act, as well as common law assessments which are created by this Declaration and are covenants running with the land, and include:

4.3.1. "Annual Assessment," which includes, but is not limited to, each Dwelling Unit Owner's annual share of funds required for the payment of "Common Expenses," as determined in accordance with this Declaration; and

4.3.2. "Special Assessments," which include any Assessments levied by the Board in addition to the Annual Assessment and are more particularly described in Paragraph 22.2 herein.

4.4. "Association" means Sheridan Beach Club Condominium Association Number Two, Inc., a Florida corporation not for profit, responsible for operating Sheridan Beach Club Condominium Number Two and possibly any other condominium which may be created in Sheridan Beach Club.

4.5. "Board" means the Board of Directors of the Association.

4.6. "Building" means a structure within the Condominium Property in which Dwelling Units are located.

4.7. "Bylaws" means the Bylaws of the Association, attached hereto as Exhibit D and incorporated herein by reference.

4.8. "Common Elements" means:

4.8.1. The Condominium Property, other than the Dwelling Units;

4.8.2. Easements through the Dwelling Units for conduits, ducts, plumbing, wiring and other facilities and equipment for furnishing of utility services to Dwelling Units and the Common Elements;

4.8.3. An easement of support in every portion of a Dwelling Unit which contributes to the support of a Building submitted to condominium ownership;

4.8.4. Property and installations required for the furnishing of utility services and other services for more than one Dwelling Unit, the Common Elements, or a Dwelling Unit other than the Dwelling Unit containing the installation; and

4.8.5. A portion or portions of the Land, when, as and if same are submitted to condominium ownership.

4.9. "Common Expenses" means expenses for which the Dwelling Unit Owners are liable to the Association as defined in the Act and as described in the Condominium Documents and include:

4.9.1. The expenses for the operation, maintenance, repair or replacement of the Common Elements, costs of carrying out the powers and duties of the Association, cost of fire and extended coverage insurance; and

4.9.2. Any other expenses designated, not inconsistent with the Act, as Common Expenses from time to time by the Board.

4.10. "Common Surplus" means the excess of receipts of the Association collected on behalf of the Condominium (including, but not limited to, assessments, rents, profits and revenues, on account of the Common Elements) over the Common Expenses.

4.11. "Condominium" means that portion of the Land and the improvements thereon submitted to condominium ownership pursuant to this Declaration, as the same may be amended from time to time.

4.12. "Condominium Documents" means in the aggregate this Declaration, the Articles, the Bylaws, any rules and regulations promulgated by the Association and all of the instruments and documents referred to therein and executed in connection with this Condominium.

4.13. "Condominium Property" means the real property submitted to condominium ownership as part of the Condominium and all improvements thereon, including, but not limited to, the Dwelling Units, and all Common Elements. The easements described and set forth within this Declaration are intended to comply with Section 718.104(4)(n) of the Act. Notwithstanding anything



contained herein to the contrary, however, the term "Condominium Property" shall not include any telecommunications lines and equipment owned by a utility and/or telecommunication firm(s) and/or other legal entity(ies) which have contracted with or have imposed other legal requirements upon Developer and/or the Association to provide a utility or telecommunications service and/or equipment, nor shall Condominium Property include telecommunications equipment, if any, owned by Developer, the title to which is hereby specifically reserved unto Developer, its successors and/or assigns. No portion of the land within the Subsequent Phase shall be included in the term "Condominium Property" unless and until the Subsequent Phase is submitted to condominium ownership by amendment to this Declaration.

4.14. "County" means Broward County, Florida.

4.15. "Declaration" means this document and any and all amendments hereto.

4.16. "Developer" means Sheridan 58, LLC, a Florida limited liability company, its grantees, successors and assigns. Developer shall have the right to assign any and all of the rights and privileges reserved for Developer under this Declaration. A Dwelling Unit Owner shall not, solely by the purchase of a Dwelling Unit, be deemed a successor or assign of Developer or of the rights of Developer under the Condominium Documents unless such Dwelling Unit Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Developer.

4.17. "Dwelling Unit" means "unit" as described in the Act and is that portion of the Condominium Property within the Condominium subject to exclusive ownership.

4.18. "Dwelling Unit Owner" or "Owner of a (or: the, or: any) Dwelling Unit" or such similar term means "unit owner" as defined in the Act, and is the owner of a Dwelling Unit.

4.19. "Institutional Mortgagee" means any lending institution having a mortgage lien upon a Dwelling Unit, including, but not limited to, any of the following institutions or entities: (i) a federal or state savings and loan association or bank doing business in the State of Florida or a life insurance company doing business in Florida which is approved by the Commissioner of Insurance of the State of Florida, or bank or real estate investment trust, or a mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof licensed or qualified to make mortgage loans in the State of Florida or a New York State banking corporation or a national banking association chartered under the laws of the United States of America; or (ii) any and all investing or lending institutions ("Lender") which have loaned money to Developer in order to enable Developer to acquire, or construct improvements upon, any portion of the Condominium Property and which holds a first mortgage upon such portion of the Condominium Property as security for such loan; or (iii) any pension or profit sharing funds qualified under the Internal Revenue Code; or (iv) the Veterans Administration or the Federal Housing Administration or the Department of Urban Development or other lenders generally recognized in the community as institutional lenders; or (v) such other Lenders as the Board shall hereafter designate as such in writing which have acquired a mortgage upon a Dwelling Unit; or (vi) any "Secondary Mortgage Market Institution," including Federal National Mortgage Association or the Federal Home Loan

Mortgage Corporation, and such other Secondary Mortgage Market Institution as the Board shall hereafter designate as such in writing which has acquired a mortgage upon a Dwelling Unit; or (vii) Developer, its successors and assigns.

4.20. "Interest" means the maximum nonusurious interest rate allowed by law on the subject debt or obligation and, if no such rate is designated by law, then eighteen percent (18%) per annum.

4.21. "Legal Fees" means: (i) reasonable fees for attorney and paralegal services incurred in negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post-judgment proceedings; and (ii) court costs through and including all trial and appellate levels and post-judgment proceedings.

4.22. "Limited Common Elements" means those Common Elements reserved for the use of certain Dwelling Units to the exclusion of other Dwelling Units, as more particularly described in Paragraphs 5.3 and 6.2 hereof.

4.23. "Listed Mortgagee" means the holder, insurer, or guarantor of a mortgage encumbering a Dwelling Unit of which the Association has been notified pursuant to Paragraph 31.4 herein.

4.24. "Member" means a member of the Association.

4.25. "Phase" means that portion of the Land and improvements thereon, as contemplated by Section 718.403 of the Act, which may become part of the Condominium Property by recording this Declaration or an amendment hereto.

4.26. "Public Records" means the Public Records of the County.

4.27. "Sheridan Beach Club" means the Land, more particularly described on Exhibit A hereto, upon which Developer intends to develop the Condominium. The "Initial Phase," as hereinafter defined, shall be the portion of Sheridan Beach Club upon which the Developer shall initially develop the Condominium. Developer intends to develop the Subsequent Phases of the Condominium upon the other portions of Sheridan Beach Club. Developer has also reserved the right to develop (an) additional condominium(s) within Sheridan Beach Club.

4.28. "Sheridan Beach Club Condominium(s)" means a condominium(s) in Sheridan Beach Club.

4.29. "Sheridan Beach Club Condominium Number Two" means the condominium in Sheridan Beach Club which is the subject of this Declaration.

4.30. "Subsequent Phase" means that portion of the Land and improvements thereon, other than the Initial Phase, which Developer may, but shall not be obligated to, submit to the Condominium Property, in whole or in part.

## 5. DESCRIPTION OF IMPROVEMENTS - INITIAL PHASE

### 5.1. Description of Improvements - Initial Phase

The portion of the Land and improvements (collectively "Initial Phase") being submitted to condominium ownership pursuant to this Declaration are described on the "Initial Phase Survey" (as hereinafter defined). The improvements in the Initial Phase include one (1) four (4)-story Building which contains twenty-nine (29) Dwelling Units on four (4) floors, each of which is designated by a four-digit number and is so referred to herein and in the Exhibits hereto. The first digit of the four-digit number refers to the floor on which the Dwelling Unit is located, the second digit is a zero, the third digit represents the Dwelling Unit location and the fourth digit corresponds with the number of the building Phase (*i.e.*, 2 for Phase II). The Dwelling Units are consecutively numbered as to each floor, all numbers being even numbers (*e.g.*, 2012 for the first second floor Dwelling Unit in the Initial Phase [Phase II]). No Dwelling Unit bears the same designation as any other Dwelling Unit in the Condominium.

### 5.2. Initial Phase Survey

Annexed hereto as Exhibit B-2 and made a part hereof is the Survey, Plot Plan and Graphic Description of Improvements for the Initial Phase, which includes a survey of the land in the Initial Phase, a graphic description of the improvements in which the Dwelling Units and the Common Elements are located and a plot plan thereof (all of which are herein collectively referred to as the "Initial Phase Survey"). The Initial Phase Survey shows and identifies thereon the Common Elements and every Dwelling Unit, its relative location and its approximate dimensions. There is attached to the Initial Phase Survey and made a part of this Declaration a certificate of a surveyor prepared, signed and conforming with the requirements of Section 718.104(4)(c) of the Act.

### 5.3. Limited Common Elements

5.3.1. A/C Handlers. The portion of the roof of the Building under which each air conditioner handler ("A/C Handler") is located is a Limited Common Element to the Dwelling Unit which it serves, as depicted on Exhibit B hereto. The Owner of the Dwelling Unit shall be responsible for the maintenance, repair and replacement of the A/C Handler serving such Owner's Dwelling Unit, at such Owner's sole cost and expense. No Owner or repairman, however, shall have access to the roof of the Building without prior notification to the Association. The air conditioning equipment itself shall be owned, maintained, repaired and replaced by each Dwelling Unit Owner whose Dwelling Unit is served thereby.

5.3.2. Balconies and Terraces. Each area shown as a "Balcony" or "Terrace" on the Initial Phase Survey shall be a Limited Common Element reserved for the exclusive use of the Owner of the Dwelling Unit adjacent thereto, which Balcony or Terrace shall be maintained by the Dwelling Unit Owner. The Owner of the Dwelling Unit shall be responsible for cleaning the Balcony or Terrace, and for any repairs necessitated by damage caused by such Dwelling Unit Owner. In the event a repair related to the construction of the Balcony or Terrace is required, the

Association shall be responsible for such repair. If the Owner of the Dwelling Unit installs a covering on the surface of the Balcony or Terrace, such as but not limited to tile, then the covering shall remain the personal property of such Dwelling Unit Owner and the Association shall not be responsible for any damage to such personal property in connection with any repair to the Balcony or Terrace.

## 6. DESCRIPTION OF IMPROVEMENTS IN SUBSEQUENT PHASES

### 6.1. Subsequent Phases

6.1.1. **Condominium Property.** Developer is developing the Condominium Property as a phase condominium as provided for by Section 718.403 of the Act. In addition to the portion of the Land and improvements described on the Initial Phase Survey being submitted to condominium ownership pursuant to this Declaration, Developer contemplates that the Subsequent Phases may, by amendment hereto, be added to the Condominium Property as additional Phases. If, as and when the Subsequent Phases are added, the Condominium Property shall be enlarged and expanded so as to encompass and include the real property, the improvements thereon, and the easements and rights appurtenant thereto which are submitted to condominium ownership as parts of the Subsequent Phases.

6.1.2. **Subsequent Phase Surveys.** Annexed hereto as Exhibits B-1 and B-3 are the surveys, plot plans and graphic descriptions of improvements for Phase I ("Phase I Survey") and Phase III ("Phase III Survey"). Notwithstanding any indications to the contrary herein contained, Developer may make nonmaterial changes in the description of the Subsequent Phases more particularly described on the Phase I Survey and the Phase III Survey (the "Subsequent Phase Surveys").

6.1.3. **Minimums and Maximums.** While at the time of recordation of this Declaration Developer plans to include the number of Dwelling Units in Subsequent Phase I as set forth in the following chart (Subsequent Phase III will contain no Dwelling Units), the Act requires that the Declaration also set forth the minimum and maximum number of Dwelling Units which Developer reserves the right to add in a Subsequent Phase, which information is set forth in the following chart:

| <u>Phase</u> | <u>Developer's Plan</u> | <u>Minimum Number of Dwelling Units</u> | <u>Maximum Number of Dwelling Units</u> |
|--------------|-------------------------|---|---|
| I            | 29                      | 28                                      | 35                                      |

While Developer plans that the general size for each Dwelling Unit in the Offered Condominium will be approximately one thousand one hundred fifty one (1,151) air-conditioned square feet to approximately one thousand six hundred fifteen (1,615) air-conditioned square feet, Developer reserves the right to include in the Condominium Dwelling Units ranging in size from a minimum of

one thousand (1,000) air-conditioned square feet to a maximum of two (2) air-conditioned square feet.

6.1.4. Identification of Dwelling Units. Each Dwelling Unit in Subsequent Phase I, if Subsequent Phase I is submitted to the Condominium Property pursuant to a Subsequent Phase I amendment, shall be identified by a unique numeric designation, being a four-digit number, the first digit being the floor on which the Dwelling Unit is located, the second digit being a zero, the third digit representing the location of the Dwelling Unit on the floor and the fourth digit corresponds with the number of the building Phase (*i.e.*, 1 for Phase I). The Dwelling Units are consecutively numbered, all numbers being odd numbers (*e.g.*, 2011 for the first second floor Dwelling Unit). No Dwelling Unit in Subsequent Phase I, if added to the Condominium Property, shall bear the same identifying number as any other Dwelling Unit in the Condominium.

## 6.2 Limited Common Elements

6.2.1. A/C Handlers. The portion of the roof of the Building under which each air conditioner handler ("A/C Handler") is located is a Limited Common Element to the Dwelling Unit it serves, as depicted on Exhibit B hereto. The Owner of the Dwelling Unit shall be responsible for the maintenance, repair and replacement of the A/C Handler serving such Owner's Dwelling Unit, at such Owner's sole cost and expense. No Owner or repairman, however, shall have access to the roof of the Building without prior notification to the Association. The air conditioning equipment itself shall be owned, maintained, repaired and replaced by each Dwelling Unit Owner whose Dwelling Unit is served thereby.

6.2.2. Balconies and Terraces. Each area shown as a "Balcony" or "Terrace" on a Subsequent Phase Survey shall be a Limited Common Element reserved for the exclusive use of the Owner of the Dwelling Unit adjacent thereto, which Balcony or Terrace shall be maintained by the Dwelling Unit Owner. The Owner of the Dwelling Unit shall be responsible for cleaning the Balcony or Terrace, and for any repairs necessitated by damage caused by such Dwelling Owner. In the event a repair related to the construction of the Balcony or Terrace is required, the Association shall be responsible for such repair. If the Owner of the Dwelling Unit installs a covering on the surface of the Balcony or Terrace, such as but not limited to tile, then the covering shall remain the personal property of such Dwelling Unit Owner and the Association shall not be responsible for any damage to such personal property in connection with any repair to the Balcony or Terrace. TK

## 6.3 Subsequent Phases

Subsequent Phase I, if added to the Condominium Property pursuant to this Declaration by an amendment hereto, is intended to consist of the real property more particularly described in the Phase I Survey attached hereto for Phase I and made a part hereof, the improvements of which are intended to include, in addition to the Common Elements therein: one (1) four (4)-story residential Building containing twenty-nine (29) Dwelling Units. Subsequent Phase I shall include Common Elements as shown on the Subsequent Phase Survey, including sufficient parking spaces to serve all of the Dwelling Units in Subsequent Phase I. Subsequent Phase III, if added to the

Condominium Property pursuant to this Declaration by an amendment hereto, is intended to consist of recreational facilities and additional parking spaces, all of which shall be Common Elements. A Subsequent Phase Survey (as revised prior to the recordation of the amendment adding a Subsequent Phase) shall be attached to the amendment adding a Subsequent Phase. Developer shall provide no items of personal property for the Common Elements within Subsequent Phase I. If a Subsequent Phase is submitted to the Condominium Property pursuant to an amendment, the Subsequent Phase will be substantially complete and the amendment will be recorded amongst the Public Records no later than the later to occur of (i) seven (7) years from the date of recordation hereof or (ii) the maximum time allowed by law.

#### 6.4. Changes in Subsequent Phases

Notwithstanding any indications to the contrary herein contained, descriptions relating to Phases or Exhibits referred to in this Article 6 or Articles 5 or 7 hereof, including, but not limited to, legal, graphic, numerical, narrative and the like, are approximations. To the fullest extent permitted by law, Developer reserves the right to change such descriptions as to a Phase by recording an amendment hereto until such time as Developer conveys a Dwelling Unit in such Phase to a Dwelling Unit Owner. Such an amendment shall not require the execution thereof by the Association, Institutional Mortgagees or any other person, persons or entity unless: (i) Developer changes the proportion by which a Dwelling Unit Owner, other than Developer, shares the Common Expenses and the Common Surplus or owns the Common Elements, in which event such Dwelling Unit Owner whose share of Common Elements, Common Expenses and Common Surplus is being so changed and the Institutional Mortgagees of record holding mortgages on the affected Dwelling Unit must consent in writing thereto; or (ii) such change materially and adversely affects a Dwelling Unit Owner as determined by Developer in the reasonable discretion of Developer, in which event such Dwelling Unit Owner and the Institutional Mortgagee of record holding the mortgage on the affected Dwelling Unit must consent thereto in writing or such amendment must be adopted in accordance with Article 29 hereof.

### 7. PHASE DEVELOPMENT

#### 7.1. Impact of Subsequent Phases on Initial Phase

7.1.1. *Common Elements of Initial Phase.* The Common Elements as shown on the Initial Phase Survey and included in the Initial Phase will be owned by all Dwelling Unit Owners in all Phases submitted to the Condominium as a portion of the Condominium Property pursuant to this Declaration and amendments hereto, if any.

7.1.2. *Subsequent Phase Not Added.* If a Subsequent Phase does not become part of the Condominium Property, no portion of such Subsequent Phase (including, but not limited to, the portion which would have constituted the Common Elements) shall become a part of the Condominium Property.

7.1.3. Common Elements of Subsequent Phase. If a Subsequent Phase is added to and does become a part of the Condominium Property, then all of the Common Elements constituting a portion of such Subsequent Phase shall become a part of the Common Elements of the Condominium Property, with such Common Elements being owned in undivided shares by all Dwelling Unit Owners in all Phases then constituting the Condominium.

7.1.4. Share of Ownership Upon Submission of Only Initial Phase. If only the Initial Phase is submitted to the Condominium Property pursuant to this Declaration, there will be twenty-nine (29) Dwelling Units in the Condominium, each having as an appurtenance thereto one (1) vote in the Association and an undivided share of ownership in the Common Elements based on the relative square footage of the Dwelling Unit to the total square footage of all of the Dwelling Units in the Initial Phase, as shown on Exhibit E attached hereto and made a part hereof.

7.1.5. Share of Ownership Upon Submission of Subsequent Phase I. If Subsequent Phase I, in addition to the Initial Phase, is submitted to the Condominium Property, then each Dwelling Unit in all Phases submitted to the Condominium Property shall have as appurtenances thereto one (1) vote in the Association and an undivided share of ownership in the Common Elements based on the relative square footage of the Dwelling Unit to the total square footage of all Dwelling Units in the Condominium Property, as shown on Exhibit E attached hereto and made a part hereof. If Subsequent Phase I is submitted, as planned, to condominium ownership as Condominium Property pursuant to an amendment or amendments to this Declaration, the total number of Dwelling Units shall be fifty-eight (58); however, Developer has reserved the right to include a maximum of sixty-four (64) Dwelling Units in the Condominium. The number of Dwelling Units planned to be included in Subsequent Phase I if, as and when added to the Condominium, is set forth in subparagraph 6.1.3 hereof. If Subsequent Phase III is added to the Condominium Property, there shall be no change in the number of Dwelling Units, the voting rights or the shares in the Common Elements.

## 7.2. Withdrawal Notice

Developer, in its absolute discretion, reserves the right to add or not to add a Subsequent Phase as part of the Condominium Property. Hence, notwithstanding anything contained in this Declaration to the contrary, no portion of a Subsequent Phase shall be affected or encumbered by this Declaration, except as to the easements hereinafter set forth, unless and until such Subsequent Phase is added to the Condominium Property by amendment to this Declaration recorded amongst the Public Records. Notwithstanding the fact that the foregoing portion of this Paragraph 7.2 is self-operative, if Developer determines not to add a Subsequent Phase to the Condominium Property, Developer may, in addition to any action otherwise required by the Act, record amongst the Public Records a notice ("Withdrawal Notice") to the effect that such Subsequent Phase shall not be added to the Condominium Property. Notwithstanding anything contained herein to the contrary, in the event Developer records amongst the Public Records a Withdrawal Notice, then Developer shall have all rights permissible by law with respect to ownership of the Subsequent Phase covered by such Withdrawal Notice, including, but not limited to, the right to develop such Subsequent Phase as

one (1) or more separate condominium(s) which may or may not be governed by the Association.

## 8. UNDIVIDED SHARES IN COMMON ELEMENTS

### 8.1. Appurtenance

8.1.1. Ownership of the Common Elements and Membership in the Association. Each Dwelling Unit shall have as an appurtenance thereto one (1) vote in the Association and an undivided share of ownership in the Common Elements based on the relative square footage of the Dwelling Unit to the total square footage of all of the Dwelling Units contained in the aggregate of all Phases submitted to condominium ownership as Condominium Property at such time.

8.1.2. Right to Use Common Elements. Each Dwelling Unit shall have as an appurtenance thereto the right to use all of the Common Elements and Condominium Property of this Condominium in accordance with the Condominium Documents and subject to any limitations set forth in such Condominium Documents.

### 8.2. Share of Common Expenses and Common Surplus

The Common Expenses shall be shared and the Common Surplus shall be owned in proportion to each Dwelling Unit Owner's share of ownership of the Common Elements.

## 9. VOTING INTERESTS

### 9.1. Voting Interest

The Dwelling Unit Owner or Owners, collectively, of the fee simple title of record for each Dwelling Unit shall have the right to one (1) vote per Dwelling Unit ("Voting Interest") in the Association, regardless of the number of Phases which have been added to the Condominium Property or the number of condominiums which have been created within Sheridan Beach Club, as to the matters on which a vote by the Dwelling Unit Owners is taken as provided in the Condominium Documents and the Act.

### 9.2. Voting by Corporation or Multiple Owners

The Voting Interest of the Owners of any Dwelling Unit owned by more than one (1) person, a corporation or other entity, or by one (1) person and a corporation and/or other entity, or by any combination of the aforesaid, shall be cast by the person ("Voting Member") named in a "Voting Certificate" signed by all of the Owners of such Dwelling Unit or, if appropriate, by properly designated officers, principals or partners of the respective legal entity which owns the Dwelling Unit and filed with the Secretary of the Association. If a Voting Certificate is not on file, the Voting Interest associated with a Dwelling Unit where the designation of a Voting Member is required shall not be considered in determining the requirement for a quorum or for any other purpose.



### 9.3. Ownership by Husband and Wife

Notwithstanding the provisions of Paragraph 9.2 above, whenever any Dwelling Unit is owned solely by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a Voting Certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

(i) Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy for the other for purposes of casting the Voting Interest for each Dwelling Unit owned solely by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to exercise their Voting Interest on that subject at that meeting.

(ii) Where only one (1) spouse is present at a meeting, the spouse present may exercise the Voting Interest of the Dwelling Unit without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Dwelling Unit shall not be considered in determining the requirement for a quorum or for any other purpose unless such prior notice to the contrary has been withdrawn by a subsequent written notice executed by both husband and wife.

(iii) Where neither spouse is present, the person designated in a proxy signed by either spouse may exercise the Voting Interest of the Dwelling Unit, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different proxy by the other spouse, the vote of said Dwelling Unit shall not be considered in determining the requirement for a quorum or for any other purpose.

### 9.4. Voting by Proxy

Except as specifically otherwise provided in the Act, Owners may not vote by general proxy, but may vote by limited proxy. Limited proxies and general proxies may be used to establish a quorum. Limited proxies and general proxies may also be used for voting on the matters outlined in Section 718.112(2)(b)(2) of the Act.

### 9.5. Elections

The members of the Board shall be elected by written ballot or voting machine in accordance with the provisions of Section 718.112(2)(d)(3) of the Act. Limited proxies may be used to fill vacancies caused by recall pursuant to Rule 61B-23.002(3), F.A.C.

#### 9.6. Eligibility of Directors

In accordance with Section 718.112(2)(d)(1) of the Act, except for Developer-appointed directors, directors of the Board ("Director[s]") must be Members or the spouses, parents or children of Members, except that if a Dwelling Unit is owned by an entity and not an individual, such entity may appoint an individual on its behalf to be eligible to serve on the Board.

### 10. PLAN FOR DEVELOPMENT

Developer is the developer of Sheridan Beach Club Condominium Number Two, located in the City of Dania Beach within the County. The Condominium is intended to include fifty-eight (58) Dwelling Units, in two (2) Buildings, with recreational facilities for the use of the Dwelling Unit Owners.

### 11. ASSOCIATION

#### 11.1. Purpose of Association

The Association shall be the Association responsible for the operation of this Condominium and may operate any other condominium created within Sheridan Beach Club. Each Dwelling Unit Owner shall be a Member of the Association as provided in the Condominium Documents. A copy of the Articles are attached hereto as Exhibit C and made a part hereof. A copy of the Bylaws are attached hereto as Exhibit D and made a part hereof.

#### 11.2. Conveyance to Association

The Association is obligated to accept any and all conveyances to it by Developer of a fee simple title, or of easements or leases to all or portions of its property.

#### 11.3. Conveyance by Association

The Association is empowered to delegate any of its functions or convey any of its property to any governmental unit as may be required or deemed necessary from time to time.

### 12. EASEMENTS

#### 12.1. Perpetual Nonexclusive Easement to Public Ways

The walks and other rights-of-way, if any, in this Condominium as shown on the Site Plan or hereafter located within this Condominium shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement for ingress and egress and access to, over and across the same, to public ways, including dedicated streets, which easement is hereby created in favor of all the Dwelling Unit Owners in the Condominium now or hereafter existing for their use and for the

use of their family members, guests, lessees, invitees, employees and customers for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended, including ingress and egress for the furnishing of services by fire protection agencies, police and other authorities of the law, United States mail carriers, representatives of public utilities, including, but not limited to, telephone and electricity and other utilities or services authorized by Developer, its successors or assigns to service Condominium Property; and such other persons as Developer from time to time may designate for performing their authorized services. The Association shall have the right to establish the rules and regulations governing the use and enjoyment of the Common Elements and all easements over and upon same.

## 12.2. Easements and Cross-Easements on Common Elements

The Common Elements of the Condominium shall be and the same are hereby duly declared to be subject to perpetual nonexclusive easements in favor of the Association, and such appropriate utility, telecommunication and other service companies or the providers of the services hereinafter set forth as may be from time to time designated by Developer to and from all portions of the Condominium for ingress and egress, and for the installation, maintenance, construction and repair of facilities, including, but not limited to, electric power, telephone, sewer, water, gas, drainage, irrigation, lighting, television transmission, cable television and communications systems transmission, reception and monitoring, security, garbage and waste removal and the like and for all purposes incidental thereto. Developer hereby reserves unto itself, its successors, assigns, designees and nominees, and hereby grants to the Association, the right to grant easements, permits and licenses over the Common Elements and to impose upon the Common Elements henceforth and from time to time such easements and cross-easements for any of the foregoing purposes as it deems to be in the best interests of and necessary and proper for the Condominium. Developer hereby reserves a blanket easement over, under, upon and through the Condominium Property for any purpose whatsoever.

## 12.3. Easement for Encroachments

12.3.1. Settlement or Movement of Improvements. All the Condominium Property shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon such areas or improvements contiguous thereto or caused by minor inaccuracies in the building or rebuilding of such improvements.

12.3.2. Air Space. All the Land and improvements thereon, including, but not limited to, the Condominium Property, shall be subject to perpetual easements for encroachments, for so long as such encroachment exists, in favor of each Dwelling Unit and the Dwelling Unit Owners, their family members, guests, invitees and lessees for air space for any Balcony or Terrace of any Dwelling Unit, and the reasonable use, maintenance and repair of same, which extends under, over or through any of the Land and improvements thereon, including, but not limited to, the Condominium Property, including, but not limited to, Common Elements. Such easements shall be appurtenances to and a covenant running with the respective Dwelling Unit in whose favor such easements exist.

12.3.3. Term of Encroachment Easements. The above easements for encroachments shall continue until such encroachments no longer exist.

#### 12.4. Conservation Easement

12.4.1. Establishment of Conservation Easement. Pursuant to that certain Joint Deed of Conservation Easement and Agreement recorded in Official Records Book \_\_\_\_\_, at Page \_\_\_\_\_ of the Public Records ("Conservation Easement") given by Developer and affiliates of Developer ("Grantor") to South Florida Water Management District ("SFWMD") and Broward County, their successors and assigns ("Grantees"), together with a permit issued by SFWMD ("District Permit") and a license issued by the Broward County Department of Environmental Protection ("DPEP") ("DPEP License"), two (2) parcels of property, one (1) being adjacent to the Condominium Property and one (1) being off-site, comprising preservation or mitigation areas and upland buffers (the "Conservation Area") will be protected and maintained in perpetuity in their natural, vegetative, hydrologic, scenic, open, agricultural or wooded condition and as suitable habitat for fish, plants or wildlife. The District Permit and DPEP License are collectively referred to as the "Permits" and are attached hereto as Exhibit F and made a part hereof.

12.4.1.1. Association Responsibility. Pursuant to the Conservation Easement, upon the recordation of this Declaration, the responsibilities and liabilities associated with the Conservation Area shall be fully assumed by the Association and Developer shall be released from its obligations. The Association will also be responsible for all costs and expenses associated with maintenance of the Conservation Area, including real property taxes and assessments and all costs of insurance, which shall be Common Expenses of the Association. Developer may deed all or any portion of the Conservation Area to the Association, without any prior notice to the Association.

12.4.1.2. Prohibited Acts and Uses. Any activity on or use of the Conservation Area inconsistent with the purpose of the Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited:

(a) Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

(b) Dumping or placing of soil or other substances or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

(c) Removal or destruction of trees, shrubs or other vegetation, except for the removal of nuisance and exotic vegetation as approved by DPEP and SFWMD;

(d) Excavation, dredging, or removal of loam, peat, gravel, soil, rock or other material substance in such manner as to affect the surface;

(e) Surface use except for purposes that permit the land or water area to remain predominately in the condition intended by the DPEP License and District Permit;

(f) Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation or fish and wildlife habitat preservation, including but not limited to ditching, diking and fencing;

(g) Acts or uses detrimental to such aforementioned retention and maintenance of land or water areas; and

(h) Acts or uses detrimental to the preservation of any features or aspects of the property having historical, archeological or cultural significance;

12.4.1.3. **Grantees' Easement.** Grantees have an easement to enter upon the Conservation Area to ensure compliance and to enforce the Conservation Easement, but if the Association, Developer, or any Dwelling Unit Owner breaches any term of the Conservation Easement and the Grantees do not exercise its rights under the Conservation Easement, the Grantees' forbearance shall not be construed to be a waiver by the Grantees of such term, or of any subsequent breach of the same, or any other term of the Conservation Easement, or of any of the Grantees' rights under the Conservation Easement. No delay or omission by the Grantees in the exercise of any right or remedy upon any breach by the Association, Developer or any Dwelling Unit Owner shall impair such right or remedy or be construed as a waiver. The Grantees shall not be obligated to Developer, or to any other person or entity, to enforce the provisions of the Conservation Easement.

12.4.1.4. **Liability.** The owner of the fee interest in the Conservation Area shall retain all liability for any injury or damage to the person or property of third parties that may occur on the Conservation Area. Neither Developer, the Association nor any Dwelling Unit Owner, nor any person or entity claiming by or through Developer, the Association or any Dwelling Unit Owner, shall hold the Grantees liable for any damage or injury to person or personal property that may occur on the Conservation Area.

## 12.5. Access Area

Pursuant to that certain Amended and Restated Easement and Maintenance Agreement, as recorded in Official Records Book 34815, at Pages 1218-1234 of the Public Records ("Easement Agreement"), access and ingress to and egress from the Condominium Property is provided over, across and upon property contiguous to the Condominium Property and additional property contiguous thereto. The easement property contiguous to the Condominium Property will be deeded to the Sheridan Beach Club Condominium Association Number One, Inc. ("Association One Easement Area") and the easement property contiguous to the Association One Easement Area is part of the condominium property of Sheridan Beach Club Condominium Number One, a Condominium ("Condominium One Easement Area"), together, the "Access Area." Located within

the Association One Easement Area is an entry gate for the use of the Association and the Dwelling Unit Owners, as well as the unit owners in and the condominium association operating Sheridan Beach Club Condominium Number One, a Condominium. Pursuant to the Easement Agreement, the Association and the Dwelling Unit Owners have certain rights and obligations with respect to the Access Area, including payment of one-half (1/2) of the costs of maintenance, repair and replacement of the Association One Easement Area, including costs of the gate, and one-third (1/3) of the costs of maintenance, repair and replacement of the Condominium One Easement Area.

### 13. LIABILITY INSURANCE PROVISIONS

#### 13.1. Public Liability Insurance

The Board shall obtain liability insurance in the form generally known as Public Liability and/or Owners, Landlord and Tenant Policies, or alternatively, in the event Developer so elects, the Association shall be covered under Developer's insurance, in such amounts as it may determine from time to time for the purpose of providing liability insurance coverage for all property and improvements in the Condominium Property, excluding the Dwelling Units; provided, however, that such policy or policies shall not have limits of less than One Million Dollars (\$1,000,000) covering all claims for personal injury and One Hundred Thousand Dollars (\$100,000) for property damage arising out of a single occurrence. The Board shall collect and enforce the payment of a share of the premium for such insurance from each Dwelling Unit Owner as a part of the Annual Assessment. Said insurance shall include, but not be limited to, legal liability for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of any property or improvements within the Condominium Property, legal liability arising out of law suits related to employment contracts of the Association, water damage, liability for hazards related to usage and liability for property of others, hired automobile, non-owned automobile and off-premises employee coverage and such other risks as are customarily covered with respect to developments similar to the Condominium in construction, location and use. All such policies shall name the Association (and Developer so long as Developer shall own any of the Condominium Property, as their respective interests may appear) as the insured(s) under such policy or policies. The original or a true copy of each policy shall be held in the office of the Association. The insurance purchased shall contain a "severability of interest endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of a Dwelling Unit Owner because of the negligent acts of either the Association, Developer or any other Dwelling Unit Owner or deny the claim of either Developer or the Association because of the negligent acts of the other or the negligent acts of a Dwelling Unit Owner. All liability insurance shall contain cross liability endorsements to cover liabilities of the Dwelling Unit Owners as a group to a Dwelling Unit Owner. Each Dwelling Unit Owner shall be responsible for the purchasing of liability insurance for accidents occurring in his own Dwelling Unit and, if the Dwelling Unit Owner so determines, for supplementing any insurance purchased by the Association. Notwithstanding the foregoing, in the event the Board determines that the cost of public liability insurance is economically unwarranted, the Board may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage.

### 13.2. Fidelity Insurance

Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Directors and all others who handle and are responsible for handling funds of the Association (whether or not they receive compensation), shall be maintained. Such coverage shall be in the form of fidelity bonds which meet the following requirements: (i) such bonds shall name the Association as an obligee and premiums therefor shall be paid by the Association; (ii) such bonds shall be written in an amount equal to at least three (3) months' aggregate Annual Assessments for all Dwelling Units plus reserve funds, but in no event less than the amount required by the Act for each such person; and (iii) such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Notwithstanding the foregoing, in the event the Association determines that the cost of such insurance is economically unwarranted or is not obtainable, the Association may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage provided coverage is no less than required by the Act.

### 13.3. Cancellation Provision

All insurance policies or fidelity bonds purchased pursuant to this Article 13 shall provide that they may not be canceled without at least ten (10) days' prior written notice to the Association and to Institutional Mortgagees.

## 14. PROVISIONS RELATING TO CASUALTY INSURANCE AND DESTRUCTION OF IMPROVEMENTS

### 14.1. Hazard Insurance

Each Dwelling Unit Owner shall be responsible for the purchase of casualty insurance for all of his personal property, including all floor, wall and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Dwelling Unit and serve only one (1) Dwelling Unit, and all air conditioning compressors that service only one (1) Dwelling Unit, whether or not located within the Dwelling Unit boundaries. The Association shall obtain casualty insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing casualty insurance coverage, including Fire and Extended Coverage, Vandalism and Malicious Mischief Insurance for all portions of the Condominium Property located outside the Dwelling Units; the Condominium Property located inside the Dwelling Units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the Dwelling Unit was initially conveyed; all portions of the Condominium Property for which this Declaration otherwise requires coverage by the Association; and property owned by the Association ("Association Property"), if any; and, the Conservation Area and Access Area, if required, all of which insurance

shall insure all of the insurable improvements on or within the Condominium, including personal property owned by the Association, in and for the interest of the Association, all Dwelling Unit Owners and their mortgagees, as their interests may appear, with a company (or companies) acceptable to the standards set by the Board. Additionally, the Association must provide evidence of such insurance coverage to the Association and the Association must be named as a loss payee in such insurance policy(ies). The Association shall purchase insurance for each Building now located or which may hereafter be located, built or placed within the Condominium in an amount equal to one hundred percent (100%) of the "Replacement Value" thereof. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, items of personal property and other items normally excluded from coverage as determined annually by the Board. The Board may determine the kind of coverage and proper and adequate amount of insurance. The casualty insurance shall contain an "agreed amount endorsement" or its equivalent, "inflation guard endorsement," and, if determined necessary, an "increased cost of construction endorsement" or "continuant liability from operation of building laws endorsement" or a "demolition endorsement" or the equivalent. The casualty insurance shall insure the Buildings from loss or damage caused by or resulting from at least the following: fire and other hazards covered by the standard extended coverage endorsement and by sprinkler leakage, windstorm, vandalism, malicious mischief, debris removal and demolition, and such other risks as shall customarily be covered with respect to projects or developments similar to the Buildings in construction, location and use.

#### 14.2. Flood Insurance

If determined appropriate by the Board or if required by any Institutional Mortgagee, the Association shall obtain a master or blanket policy of flood insurance covering all property and improvements in the Condominium, if available and at a reasonable premium, under the National Flood Insurance Program or any other government regulated insurance carrier authorized to conduct business in the State of Florida or a commercial underwriter, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association or such commercial underwriter, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program or one hundred percent (100%) of the current replacement cost of all Buildings and other insurable property located in the flood hazard area.

#### 14.3. Form of Policy and Insurance Trustee

The Association may, to the extent possible and not inconsistent with the foregoing, obtain one (1) policy to insure all of the insurable improvements within the Condominium Property operated by the Association, as well as the Conservation Area and the Access Area, if required, and any Association Property. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Association and assessed as part of the Annual Assessment. The company (or companies) with which the Association shall place its insurance coverage, as provided in this Declaration, must be a good and responsible company (or companies) authorized to do business in the State of Florida. In addition, the insurance agent must be located in the State of



Florida. The Association shall have the right to designate a trustee ("Insurance Trustee") and upon the request of the Institutional Mortgagee holding the highest dollar indebtedness encumbering Dwelling Units within the Condominium ("Lead Mortgagee") shall designate an Insurance Trustee. Thereafter the Association from time to time shall have the right to change the Insurance Trustee to such other trust company authorized to conduct business in the State of Florida or to such other person, firm or corporation as Insurance Trustee as shall be acceptable to the Board and the Lead Mortgagee. Upon written request to the Association by the Lead Mortgagee, the Lead Mortgagee shall have the right, for so long as it holds the highest dollar indebtedness encumbering Dwelling Units within the Condominium to approve: (i) the form of the insurance policies; (ii) the amounts thereof; (iii) the company or companies which shall be the insurers under such policies; (iv) the insurance agent or agents; and (v) the designation of the Insurance Trustee if it deems the use of an Insurance Trustee other than the Board to be necessary, which approval(s) shall not be unreasonably withheld or delayed; provided, however, for so long as Developer owns any Dwelling Unit(s), Developer shall have the right, but not the obligation, to require the Association to designate an Insurance Trustee other than the Board. Notwithstanding anything in this Declaration to the contrary, the Board may act as the Insurance Trustee hereunder unless otherwise required by the Lead Mortgagee or Developer. The Lead Mortgagee shall inform the Association by written notification if it requires the use of an Insurance Trustee other than the Board. If the use of an Insurance Trustee other than the Board is requested in writing, then the Lead Mortgagee shall be deemed to have approved the Insurance Trustee unless the Lead Mortgagee's written disapproval is received by the Association within thirty (30) days after notice from the Association of the identity of the proposed Insurance Trustee. If no Insurance Trustee is required, the Board shall receive, hold and expend insurance proceeds in the manner hereinafter provided as if it were the Insurance Trustee.

#### 14.4. Required Policy Provisions

All such aforesaid policies shall provide that they may not be canceled without at least ten (10) days' prior written notice to the Association and Listed Mortgagees and shall be deposited with the Insurance Trustee upon its written acknowledgment that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee. In the event of a casualty loss, the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its service as Insurance Trustee. The Association is hereby irrevocably appointed agent for each Dwelling Unit Owner to adjust all claims arising under insurance policies purchased by the Association. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. The Association may determine to act as Insurance Trustee, in which event references herein to Insurance Trustee shall refer to the Board.

#### 14.5. Restrictions of Mortgagees

No mortgagee shall have any right to participate in the determination of whether property is to be rebuilt, nor shall any mortgagee have the right to apply insurance proceeds to repayment of its loan unless such proceeds are distributed to Dwelling Unit Owners and/or their

respective mortgagees.

#### 14.6. Distribution of Insurance Proceeds and Losses

The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by it and to hold such proceeds in trust for the Association, Dwelling Unit Owners and mortgagees under the following terms:

14.6.1. **Loss to Dwelling Unit Alone.** In the event a loss insured under the policies held by the Insurance Trustee occurs to any improvements within any of the Dwelling Units alone, without any loss to any other improvements within the Condominium Property or other property for which the Association has insurance coverage, the Insurance Trustee shall immediately pay all proceeds received because of such loss directly to the Owners of the Dwelling Units damaged and their mortgagees, if any, as their interests may appear, and it shall be the duty of these Dwelling Unit Owners to use such proceeds to effect necessary repair to the Dwelling Units. The Insurance Trustee, where other than the Association, may rely upon the written statement of the Association as to whether or not there has been a loss to the Dwelling Units alone, the Common Elements or other property or any combination thereof.

14.6.2. **Loss of Fifty Thousand Dollars (\$50,000) or Less to Dwelling Units and Common Elements.** In the event that a loss of Fifty Thousand Dollars (\$50,000) or less occurs to improvements within one (1) or more Dwelling Units and to improvements within Common Elements contiguous thereto, or to improvements within the Common Elements, the Insurance Trustee shall pay the proceeds received as a result of such loss to the Association. Upon receipt of such proceeds, the Association will cause the necessary repairs to be made to the improvements within the Common Elements and within the damaged Dwelling Units. In such event, should the insurance proceeds be sufficient to repair the improvements within the Common Elements but insufficient to repair all of the damage within the Dwelling Units, the proceeds shall be applied first to completely repair the improvements within the Common Elements or other property for which the Association has insurance coverage, and the balance of the funds ("Balance") shall be apportioned by the Association to repair the damage to the improvements within Dwelling Units, which apportionment shall be made to each Dwelling Unit in accordance with the proportion of damage sustained to improvements within said Dwelling Units as estimated by the insurance company whose policy covers such damage. Any deficiency between the Balance apportioned to a damaged Dwelling Unit and the cost of repair shall be paid by a Special Assessment levied against all of the Dwelling Units.

14.6.3. **Loss in Excess of Fifty Thousand Dollars (\$50,000) to Dwelling Units and Common Elements.** In the event the Insurance Trustee receives proceeds in excess of the sum of Fifty Thousand Dollars (\$50,000) as a result of damages to the improvements within the Common Elements and/or Dwelling Units and Common Elements that are contiguous, then the Insurance Trustee shall hold, in trust, all insurance proceeds received with respect to such damage, together with any and all other funds paid as hereinafter provided, and shall distribute the same as follows:

(a) The Board shall obtain or cause to be obtained reliable and detailed estimates and/or bids for the cost of rebuilding and reconstructing the damage and for the purpose of determining whether insurance proceeds are sufficient to pay for the same.

(b) In the event the insurance proceeds are sufficient to rebuild and reconstruct all the damaged improvements, or upon the collection of the necessary funds that are described in subparagraph 14.6.3 (c) below, then the damaged improvements shall be completely repaired and restored. In this event, all payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee and execute affidavits required by law, by the Association, by any Institutional Mortgagee named on a mortgage endorsement or by the Insurance Trustee, and shall deliver the same to the Insurance Trustee. Further, the Association shall negotiate with and obtain a contractor willing to do the work on a fixed-price basis or some other reasonable terms under the circumstances, said contractor shall post a performance and payment bond, and the Insurance Trustee shall disburse the insurance proceeds and other funds held in trust in accordance with the progress payments contained in the construction contract between the Association and the contractor. Subject to the foregoing, the Board shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(c) In the event the insurance proceeds are insufficient to repair and replace all of the damaged improvements within the Common Elements and Dwelling Units contiguous to such damaged Common Elements and other property for which the Association has insurance coverage, the Board shall hold a special meeting to determine a Special Assessment against all of the Dwelling Unit Owners to obtain any necessary funds to repair and to restore such damaged improvements. Upon the determination by the Board of the amount of such Special Assessment, the Board shall immediately levy such Special Assessment against the Dwelling Units setting forth the date or dates of payment of the same, and any and all funds received from the Dwelling Unit Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in subparagraph 14.6.3 (b) immediately preceding. In the event the deficiency between the estimated cost of the repair and replacement of the damaged property and the insurance proceeds exceeds the sum of Twenty-Five Thousand Dollars (\$25,000), and three-fourths (3/4) of the Dwelling Unit Owners advise the Board in writing on or before the date for the first payment thereof that they are opposed to a Special Assessment, then the Insurance Trustee shall divide the net insurance proceeds into the shares described in Article 7 hereof and shall promptly pay each share of such proceeds to the Dwelling Unit Owners and mortgagees of record as their interests may appear ("Insurance Proceeds Distribution"). In making any such Insurance Proceeds Distribution to the Dwelling Unit Owners and mortgagees, the Insurance Trustee may rely upon a certificate of an abstract company as to the names of the then Dwelling Unit Owners and their respective mortgagees. Any Insurance Proceeds Distribution shall also require the approval of the Lead Mortgagee.

14.6.4. Distribution of Excess Funds. In the event that after the completion of and payment for the repair and reconstruction of the damage to the damaged property and after the payment of the Insurance Trustee's fee with respect thereto any excess insurance proceeds remain in the hands of the Insurance Trustee, then such excess shall be disbursed in the manner of the

Insurance Proceeds Distribution. However, in the event such repairs and replacements were paid for by any Special Assessment as well as insurance proceeds, then it shall be presumed that the monies disbursed in payment of any repair, replacement and reconstruction were first disbursed from insurance proceeds and any remaining funds held by the Insurance Trustee shall be distributed to the Dwelling Unit Owners in proportion to their contributions by way of a Special Assessment.

14.6.5. Institutional Mortgagees. In the event the Insurance Trustee has on hand, within ninety (90) days after any casualty or loss, insurance proceeds and, if necessary, funds from any Special Assessment sufficient to pay fully any required restoration and repair with respect to such casualty or loss, then no mortgagee shall have the right to require the application of any insurance proceeds or Special Assessment to the payment of its loan. Any provision contained herein for the benefit of any mortgagee may be enforced by a mortgagee.

14.6.6. Repair of Damaged Property. Any repair, rebuilding or reconstruction of damaged property shall be substantially in accordance with the architectural plans and specifications for the Condominium or other property, as: (i) originally constructed; (ii) reconstructed; or (iii) depicted in new plans and specifications approved by the Board; provided, however, any material or substantial change in new plans and specifications approved by the Board from the plans and specifications of the Condominium or other property as previously constructed shall require approval by the Lead Mortgagee.

14.6.7. Determination of Damage. The Board shall determine, in its sole and absolute discretion, whether damage or loss has occurred to improvements within Dwelling Units alone, Common Elements alone or to improvements within any combination thereof or within any other property for which the Association has insurance coverage.

14.6.8. Insurance Amounts. Notwithstanding anything in this Article 14 to the contrary, the amounts set forth for the purchase of insurance in this Article 14 are the minimum amounts to be purchased. Therefore, Dwelling Unit Owners or the Association, as the case may be, may purchase insurance in excess of the amounts set forth herein. The amounts set forth do not constitute a representation or warranty of any kind by Developer or the Association as to the proper amount or kinds of insurance required.

14.6.9. Miscellaneous Policy Requirements. Policies insuring the property within the Condominium or other property purchased pursuant to the requirements of this Article 14 shall provide that any insurance trust agreement shall be recognized; the right of subrogation against Dwelling Unit Owners will be waived; the insurance will not be prejudiced by any acts or omission of individual Dwelling Unit Owners who are not under the control of the Association; and the policy will be primary, even if a Dwelling Unit Owner has other insurance that covers the same loss.

14.6.10. Master Form of Insurance. Nothing contained herein shall prohibit the Association from obtaining a "Master" or "Blanket" form of insurance to meet the requirements of this Article 14, provided that the coverages required hereunder are fulfilled.

## 15. PROVISIONS RELATING TO CONDEMNATION OR EMINENT DOMAIN PROCEEDINGS

### 15.1. Proceedings

The Association shall represent the Dwelling Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements or any parts thereof by the condemning authority.

### 15.2. Deposit of Awards With Insurance Trustee

The taking of any portion of the Condominium Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Although the awards may be payable to Dwelling Unit Owners, the Dwelling Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board, a special charge shall be made against a defaulting Dwelling 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 Dwelling Unit Owner.

### 15.3. Disbursement of Funds

If the Condominium is terminated in accordance with the provisions of this Declaration after condemnation, the proceeds of the awards and Special Assessments, if any, shall be deemed to be Condominium Property and shall be divided into the shares described in the Declaration and distributed to the Dwelling Unit Owners and mortgagees as their interests may appear. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the Owners of the condemned Dwelling Units will be made whole and the Condominium Property damaged by the taking will be made usable in the manner provided below.

### 15.4. Dwelling Unit Reduced But Tenantable

If the taking reduces the size of a Dwelling Unit ("Affected Dwelling Unit") and the remaining portion of the Affected Dwelling Unit can be made tenantable, the award for the taking of a portion of the Affected Dwelling Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

15.4.1. **Affected Dwelling Unit Made Tenantable.** The Affected Dwelling Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be collected as a special charge.

15.4.2. Excess Distributed to Dwelling Unit Owner and Institutional Mortgagee. The balance of the award, if any, shall be distributed to the Owner of the Affected Dwelling Unit and to each Institutional Mortgagee of the Affected Dwelling Unit, the remittance being made payable to the Dwelling Unit Owner and Institutional Mortgagees as their interests may appear.

15.4.3. Reduction in Percentage of Common Elements. If the floor area of the Affected Dwelling Unit is reduced by more than ten percent (10%) by the taking, the number representing the share in the ownership of the Common Elements appurtenant to the Affected Dwelling Unit shall be reduced ("Reduction in Percentage of Common Elements") in the proportion by which the floor area of the Affected Dwelling Unit is reduced by the taking, and then the shares of all Dwelling Units in the ownership of the Common Elements shall be restated with the Reduction in Percentage of Common Elements being allocated to all the Dwelling Units in proportion to their share of ownership in the Common Elements.

#### 15.5. Affected Dwelling Unit Made Untenatable

If the taking is of the entire Affected Dwelling Unit or so reduces the size of an Affected Dwelling Unit that it cannot be made tenatable, the award for the taking of the Affected Dwelling Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

15.5.1. Payment to Dwelling Unit Owner and Institutional Mortgagee. The market value of the Affected Dwelling Unit immediately prior to the taking shall be paid to the Dwelling Unit Owner thereof and to each Institutional Mortgagee thereof as their interests may appear.

15.5.2. Remaining Portion of Affected Dwelling Unit. The remaining portion of the Affected Dwelling Unit, if any, shall be released by the Institutional Mortgagee and conveyed by the Dwelling Unit Owner to the Association. Such remaining portion of the Affected Dwelling Unit shall become a part of the Common Elements and shall be placed in a condition approved by the Board and the Condominium Documents shall be amended to reflect the addition of such Common Elements; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking after the payment set forth in subparagraph 15.4.1 above, the work shall be approved in the manner required for further improvement of the Common Elements.

15.5.3. Adjustment in Shares of Common Elements. The shares in the Common Elements appurtenant to the Dwelling Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements from the Affected Dwelling Units among the reduced number of Dwelling Units. The shares of the continuing Dwelling Units in the ownership of the Common Elements shall be restated with the percentage of ownership in the Common Elements of the Affected Dwelling Unit being allocated to all the continuing Dwelling Units in proportion to their relative share of ownership in the Common Elements.

15.5.4. **Insufficient Award.** If the amount of the award for the taking is not sufficient to pay the market value of the Affected Dwelling Unit to the Dwelling Unit Owner and to condition the remaining portion of the Affected Dwelling Unit for use as a part of the Common Elements, the additional funds required for those purposes shall be raised by Special Assessments against all of the Dwelling Unit Owners who will continue as Dwelling Unit Owners after the changes in the Condominium effected by the taking. The Special Assessments shall be made in proportion to the shares of those Dwelling Unit Owners in the Common Elements after the changes effected by the taking.

15.5.5. **Determination of Market Value of Affected Dwelling Unit.** If the market value of an Affected Dwelling Unit prior to the taking cannot be determined by agreement between the Dwelling Unit Owner, the Institutional Mortgagees of the Affected Dwelling Unit and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Affected Dwelling Unit; and the determination of the arbitrators shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The cost of arbitration proceedings shall be assessed against all Dwelling Units in proportion to the shares of the Dwelling Units in the Common Elements as they exist prior to the changes effected by the taking.

#### 15.6. Taking of Common Elements

Awards for taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required for further improvement of the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Dwelling Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation and to Institutional Mortgagees as their interests may appear.

#### 15.7. Amendment of Declaration

The changes in Dwelling Units, in the Common Elements and in the ownership of the Common Elements that are affected by the condemnation shall be evidenced by an amendment to the Declaration that need be approved only by a majority of the Board unless written approvals from Developer and/or Listed Mortgagees are also required pursuant to this Declaration. Such amendment shall be evidenced by a certificate executed by the Association in recordable form in accordance with the Act, and a true copy of such amendment shall be mailed via first class mail by the Association to Developer, all Dwelling Unit Owners and Listed Mortgagees ("Interested Parties"). The amendment shall become effective upon the recording of such certificate amongst the Public Records of the County; provided, however, such amendment shall not be recorded until thirty (30) days after the mailing of a copy thereof to the Interested Parties unless such thirty (30)-day period is waived in writing by the Interested Parties.

## 16. PROVISION FOR APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

### 16.1. New Total Tax

In the event that any taxing authority having jurisdiction over the Condominium shall levy or assess any tax or special assessment against the Condominium as a whole as opposed to levying and assessing such tax or special assessment against each Dwelling Unit and its appurtenant undivided interest in the Common Elements, as now provided by law ("New Total Tax"), then such New Total Tax shall be paid as a Common Expense by the Association, and any taxes or special assessments which are to be so levied shall be included wherever possible in the estimated annual "Budget" (as hereinafter defined) of the Association or shall be separately levied and collected as a Special Assessment by the Association against all of the Owners of all Dwelling Units. Each Dwelling Unit Owner shall be assessed by and shall pay to the Association a percentage of the New Total Tax equal to that Dwelling Unit Owner's percentage interest in the Common Elements. In the event that any New Total Tax shall be levied, then the assessment by the Association shall separately specify and identify the portion of such assessment attributable to such New Total Tax and such portion shall be and constitute a lien prior to all mortgages and encumbrances upon any Dwelling Unit and its appurtenant percentage interest in Common Elements, regardless of the date of the attachment and/or recording of such mortgage or encumbrances, to the same extent as though such portion of New Total Tax had been separately levied by the taxing authority upon each Dwelling Unit and its appurtenant percentage interest in Common Elements.

### 16.2. Personal Property Taxes

All personal property taxes levied or assessed against personal property owned by the Association and all federal and state income taxes levied and assessed against the Association shall be paid by the Association and shall be included as a Common Expense in the Budget of the Association.

## 17. OCCUPANCY AND USE RESTRICTIONS

In order to preserve the values and amenities of the Condominium, the following provisions shall be applicable to the Condominium Property:

### 17.1. Dwelling Unit Use

The Dwelling Units shall be used for single-family residences only. No separate part of a Dwelling Unit may be rented and no transient (as defined in Chapter 509, Florida Statutes) may be accommodated therein for compensation or commercial purposes. No trade, business, profession or any other type of commercial activity shall be carried on in the Dwelling Units; provided, however, a Dwelling Unit Owner may use a room within a Dwelling Unit as an office for conducting personal business if such personal business does not require contact at the Dwelling Unit with



customers or clientele of the Dwelling Unit Owner, nor be of such a pervasive nature as to dominate the residential character of the occupancy of such Dwelling Unit. Any such personal office use shall not be deemed a commercial activity in violation of this subparagraph 17.1. Such personal business use must, nonetheless, comply with any applicable governmental regulation. No Dwelling Unit may be rented for a term of less than three (3) months, and no Dwelling Unit may be rented more than twice in any twelve (12)-month period. A Dwelling Unit owned by a corporation, partnership or other legal entity, as the case may be, may be occupied by the person indicated in the Voting Certificate on file with the Association and his or her family, and any lessees of the corporation, partnership, or other legal entity, as the case may be, who otherwise qualify as provided in the Condominium Documents.

#### 17.2. Nuisance

A Dwelling Unit Owner shall not permit or suffer anything to be done or kept in his Dwelling Unit which will: (i) increase the insurance rates on his Dwelling Unit or the Common Elements; (ii) obstruct or interfere with the rights of other Dwelling Unit Owners or the Association; or (iii) annoy other Dwelling Unit Owners by unreasonable noises or otherwise. A Dwelling Unit Owner shall not commit or permit any nuisance, immoral or illegal act in his Dwelling Unit or on the Common Elements.

#### 17.3. Signs

A Dwelling Unit Owner (with the exception of Developer, for so long as Developer is a Dwelling Unit Owner) shall show no sign, advertisement or notice of any type on the Common Elements or in or upon his Dwelling Unit so as to be visible from the Common Elements, or any public way, except as may be previously and specifically approved in writing by the Board. Developer specifically reserves the right to place and maintain identifying or informational signs on any building located on the Condominium Property and Association Property, if any, as well as any signs in connection with its sales activities.

#### 17.4. Animals

Except as provided under the rules and regulations promulgated by the Association from time to time, Dwelling Unit Owners may keep, whether temporarily or permanently, no more than one (1) domestic pet, limited to a dog of gentle disposition or cat, not to exceed forty (40) pounds in weight, in their Dwelling Units, together with the usual domestic birds in cages and fish in tanks. However, under no circumstances will any dog whose breed is noted for its viciousness or ill-temper, in particular, the "Pit Bull" (as hereinafter defined), Rottweiler, Mastiff, Presa Canario, or any crossbreeds of such breeds, be permitted on any portion of the Condominium Property or Association Property, if any. A "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds. No exotic pet or any animal of any kind

which has venom or poisonous defense or capture mechanisms, or if let loose would constitute vermin, shall be allowed on any portion of the Condominium Property or the Association Property, if any. Trained seeing-eye dogs will be permitted for those persons holding certificates of blindness and necessity. Other animals will be permitted if such animals serve as physical aides to handicapped persons and such animals have been trained or provided by an agency or service qualified to provide such animals. The guide or assistance animal will be kept in direct custody of the assisted person or the qualified person training the animal at all times when on the Condominium Property or Association Property, if any, and the animal shall wear and be controlled by a harness or orange-colored leash and collar. Pets may not be kept, bred or maintained for any commercial purpose. Any pet must be temporarily caged, carried or kept on a leash when outside of a Dwelling Unit. No pet shall be kept tied outside a Dwelling Unit or on any Terrace or Balcony, unless someone is present in the adjacent Dwelling Unit. No dogs will be curbed in any landscaped area or close to any walk or Terrace, but only in special areas designated by the Board, if any, provided this statement shall not require the Board to designate any such area. (A Dwelling Unit Owner shall immediately pick up and remove any solid animal waste deposited by his pet. A Dwelling Unit Owner shall be liable for any damage to any of the Condominium Property or Association Property, if any, caused by his or her pet, including, but not limited to, damage to a Building, the grounds, flooring, wall, trim, finish, tiles, carpeting and stairs. A Dwelling Unit Owner shall compensate any person hurt or bitten by his or her pet and shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal within the Condominium Property or Association Property, if any. If a dog or any other animal becomes obnoxious to other Dwelling Unit Owners by barking or otherwise, the Dwelling Unit Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Dwelling Unit Owner, upon three (3) days' written Notice and Hearing by the Association, will be required to permanently remove the animal from the Condominium Property.

#### 17.5. Clotheslines

No clothesline or other similar device shall be allowed in any portion of the Common Elements. Clotheslines within a Dwelling Unit shall be concealed from view from all portions of the Condominium.

#### 17.6. Window Décor

Window treatments shall consist of drapery, blinds, decorative panels or tasteful other window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding two (2) weeks after a Dwelling Unit Owner or tenant first moves into a Dwelling Unit or when permanent window treatments are being cleaned or repaired. All window treatments or door coverings installed within a Dwelling Unit which are visible from the exterior of the Dwelling Unit shall have a white or beige backing, unless otherwise approved in writing by the Board.

17.7. Removal of Sod and Shrubbery; Alteration of Drainage, etc.

Except for Developer's acts and activities with regard to the development of the Condominium, no sod, top soil, muck, trees or shrubbery shall be removed from the Condominium Property and no change in the condition of the soil or the level of land of the Condominium Property shall be made which would result in any permanent change in the flow or drainage of surface water within the Condominium Property without prior written consent of the Board.

17.8. Antenna, Aerial and Satellite Dish

No antennae, aerials, ham radios or satellite dishes shall be placed upon any portion of a Dwelling Unit or the Common Elements, except as may be required in connection with the provision of a cable television or master antennae system servicing the Condominium, or as otherwise permitted by law, subject to reasonable regulation by the Association and/or the Association.

17.9. Garbage and Trash

Each Dwelling Unit Owner shall regularly pick up all garbage, trash, refuse or rubbish around his Dwelling Unit, and no Dwelling Unit Owner or resident shall place or dump any garbage, trash, refuse or other materials on any other portions of the Condominium, including any portion of the Common Elements. All garbage, trash, refuse or rubbish must be placed in appropriate trash containers or bags and deposited in a trash chute or dumpster, as applicable. All trash containers shall be kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

17.10. Radio Transmission

No ham radios or radio transmission equipment shall be operated or permitted to be operated within the Condominium Property or any Association Property without the prior written consent of the Board.

17.11. Vehicles

No boats, boat trailers, recreational vehicles, house trailers, motor homes, trucks, vans, motorcycles, motor scooters, go-carts, motor bikes, or other motor vehicles, other than four-wheel passenger automobiles and other four-wheel passenger vehicles and certain motorcycles which may be determined acceptable by the Board, shall be permitted on any portion of the Condominium Property or any Association Property except for trucks furnishing goods and services during the daylight hours and except as the Association may designate for such use by appropriate rules and regulations. No vehicle which does not fit within a parking space shall be allowed to be kept on the Condominium Property or any Association Property. The Association shall have the right to authorize the towing away of any vehicle which violates this Declaration or the rules and regulations of the Association, with the costs to be borne by the Dwelling Unit Owner or violator. In

addition, the Board shall adopt rules and regulations from time to time regulating and limiting the size, weight, type and place and manner of operation of vehicles within the Condominium Property or any Association Property.

#### 17.12. Projections

No Dwelling Unit Owner shall cause anything to project out of any window or door except as may be approved in writing by the Association. Flags may be displayed, but only in accordance with Section 718.113(4) of the Act, as amended by Chapter 2003-23, Laws of Florida.

#### 17.13. Condition of Dwelling Units

Each Dwelling Unit Owner shall keep his Dwelling Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors or windows thereof any dirt or other substances.

#### 17.14. Hurricane Season

Each Dwelling Unit Owner who plans to be absent from his Dwelling Unit during the hurricane season must prepare his Dwelling Unit prior to his departure by removing all furniture, potted plants and other movable objects, if any, from his Balcony or Terrace, and by designating a responsible firm or individual satisfactory to the Association to care for his Dwelling Unit should the Dwelling Unit suffer hurricane damage. No hurricane shutters may be installed without the prior written consent of the Association, which consent may be unreasonably withheld. If the installation of hurricane shutters is made which does not conform to the specifications approved by the Association, then the hurricane shutters will be made to conform by the Association at the Dwelling Unit Owner's expense or they shall be removed.

#### 17.15. Structural Modifications

A Dwelling Unit Owner may not make or cause to be made any structural modifications to his Dwelling Unit without the Association's prior written consent, which consent may be unreasonably withheld. Notwithstanding the foregoing, a Dwelling Unit Owner who owns two (2) adjacent Dwelling Units may connect such Dwelling Units provided it does not cause any structural or other harm to the structure or utilities or other service lines contained within the walls or if such utility service lines can be moved, they may be moved only at the cost of the Dwelling Unit Owner desiring to connect adjacent Dwelling Units owned by such Dwelling Unit Owner. The Dwelling Unit Owner shall be responsible for paying for all engineering, architectural and other requirements of the Condominium Association in making such modifications in order not to cause damage, including, but not limited to, structural and utility service to the other Dwelling Units and the Common Elements.

#### 17.16. Board's Rule-Making Power

The Association, through its Board, may, from time to time, promulgate such other rules and regulations with respect to the Condominium as it determines to be in the best interests of the Condominium and the Dwelling Unit Owners. The Board may promulgate, modify, alter, amend or rescind such rules and regulations provided such promulgation, modifications, alterations and amendments: (i) are consistent with the use covenants set forth in the Condominium Documents; (ii) apply equally to all lawful Condominium residents without discriminating on the basis of whether a Dwelling Unit is occupied by a Dwelling Unit Owner or his lessee; and (iii) in Developer's opinion, for so long as Developer holds any Dwelling Units for sale in the ordinary course of business, would not be detrimental to the sales of Dwelling Units by Developer.

#### 17.17. Limitations

Notwithstanding anything contained in this Article 17 to the contrary, in the event any term or provision of this Article 17 is in conflict with any other term or provision of this Declaration, then such other term or provision of the Declaration shall control for so long as same is in effect.

Notwithstanding any other rule, regulation, or restriction to the contrary herein contained, the Board shall make reasonable accommodations in the rules, regulations or restrictions, if such accommodations may be necessary, to afford a handicapped person equal opportunity to use and enjoy the Condominium Property and any Association Property.

#### 17.18. Weight and Sound Restrictions

With respect to all Dwelling Units located on the second, third or fourth floor of a Building, all carpeted floors must be covered with a pad of a minimum weight designated by the Association. Installation of hard-surfaced floor coverings, other than those installed by Developer, such as tile, marble, wood, and the like, in any portion of the Dwelling Unit (or Limited Common Elements appurtenant thereto), must first be submitted to and approved by the Board, and if approved, must meet all sound insulation standards established by the Board from time to time, and also meet all applicable structural requirements. Further, the Board will have the right to specify the exact material(s) to be used for sound insulation purposes. The installation of any improvement or heavy object, including any large tree or plant on a Balcony or Terrace, must be submitted to and approved by the Board, and be compatible with the overall structural design of the Building. The Board may require a structural engineer to review certain of the proposed improvements, with such review to be at the Dwelling Unit Owner's sole expense. Additionally, the Board will have the right to specify the exact material to be used on Balconies and Terraces and, in that regard, indoor/outdoor carpeting shall not be permitted on Balconies or Terraces. Dwelling Unit Owners will be held strictly liable for violations of these restrictions and for all damages resulting therefrom and the Association has the right to require immediate removal of violations. Each Dwelling Unit Owner, by acceptance of a deed or other conveyance of his or her Dwelling Unit, hereby acknowledges and

agrees that sound transmission in Buildings such as in the Condominium is very difficult to control, and that the noises from adjoining or nearby Dwelling Units and/or mechanical equipment can often be heard in another Dwelling Unit. Developer does not make any representation or warranty as to the level of sound transmission between and among Dwelling Units and the other portions of the Condominium Property, and each Dwelling Unit Owner hereby waives and expressly releases any such warranty and claim for loss or damages resulting from sound transmission.

## 18. ASSIGNMENT OF PARKING SPACES


18.1. Parking spaces shall be used, assigned and reassigned in accordance with the provisions of this Article 18. The use of a parking space shall be an appurtenance to the Dwelling Unit to which it is assigned.

### 18.2. Assignment of Parking Spaces

18.2.1. Developer has determined that the Owner(s) of each Dwelling Unit will be automatically assigned one (1) parking space. The original assignment by Developer or the Association to a Dwelling Unit Owner of the use of a parking space shall be made by a written "Assignment of Use of Parking Space" ("Assignment") in which the particular parking space is described. The Association shall maintain a book ("Book") for the purpose of recording the current assignee of each parking space. Upon assignment of a parking space by Developer, Developer shall cause the Association to record such assignment in the Book, and the Owner to which the use of such parking space is assigned shall have the exclusive right to the use thereof. The use of such parking space shall thereupon be appurtenant to said Dwelling Unit and shall be deemed encumbered by and subject to any mortgage or any claim thereafter encumbering said Dwelling Unit. In the event a Dwelling Unit Owner requires a handicapped parking space, Developer or the Association, as applicable, may reassign an assigned parking space in order to accommodate such handicapped Dwelling Unit Owner. Upon conveyance of or passing of title to the Dwelling Unit to which the use of such parking space is appurtenant, the new Dwelling Unit Owner receiving such title shall give satisfactory evidence to the Association of such title, and the Association shall thereupon cause to be executed in the name of the grantee or transferee of such Dwelling Unit a new Assignment and record such transfer in the Book. Such Assignment shall be executed by any two (2) officers of the Association and shall describe the assigned parking space and the name of the transferee and the transferee's Dwelling Unit number.

18.2.2 In the event any parking spaces have not been assigned to the use of any particular Dwelling Unit after Developer no longer owns any Dwelling Units in the Condominium, such parking spaces may be assigned, used or leased on such terms and conditions as the Board may from time to time determine, provided that a sufficient number of parking spaces shall always be kept for guest parking.

18.3. Restrictions on Separate Transfer of Parking Spaces

 The use of parking spaces may be transferred by a Dwelling Unit Owner to another Dwelling Unit Owner within the Condominium.

18.4. One Parking Space to Each Dwelling Unit

Each Dwelling Unit shall have the use of at least one (1) parking space, and no transfer shall be made which shall deprive any Dwelling Unit of such use, provided, however, an Owner may temporarily lease his or her parking space to another Owner.

19. SALES, LEASES AND CONVEYANCES

In order to assure a community of congenial and responsible condominium residents and thus protect the value of the Dwelling Units, the sale and leasing of Dwelling Units shall be subject to the following provisions until this Declaration is terminated in accordance with the provisions herein or elsewhere contained, or until this Article 19 of the Declaration is amended in the manner herein provided:

19.1. Sale


No Dwelling Unit Owner may sell or transfer (except to the spouse, children or parents of such Owner) his Dwelling Unit without approval of the Association, which approval shall be obtained in the following manner:

19.1.1. Notice to Association. Each and every time a Dwelling Unit Owner ("Offeror") intends to sell or transfer his Dwelling Unit or any interest therein (other than a lease for a term of five [5] years or less) ("Offering"), he shall give written notice to the Association of such intention ("Transfer Notice") together with the name and address of the intended purchaser or transferee ("Transferee"), the terms of such purchase or transfer and such other information as the Association may reasonably require on forms supplied by the Association. The giving of the Transfer Notice shall constitute a warranty and representation by the Offeror to the Association and any Transferee produced by the Association, as hereinafter provided, that the Offering is a bona fide offer in all respects. The Transfer Notice shall be given by certified mail, return receipt requested, or delivered by hand to the Secretary of the Association who shall give a receipt therefor.

19.1.2. Association's Election. Within thirty (30) days after receipt of the Transfer Notice, the Association shall either approve the Offering ("Approval") or, except as provided below to the contrary, furnish a Transferee approved by the Association and give notice thereof to the Offeror who will accept the sale to the substitute Transferee furnished by the Association upon terms as favorable to the Offeror as the terms stated in the Transfer Notice; except that the Transferee furnished by the Association may not have less than thirty (30) days subsequent to the date of his approval within which to complete the sale of Offeror's Dwelling Unit. Offeror shall be bound to

consummate the transaction with such Transferee as may be approved and furnished by the Association. If the Association approves the Offering, such Approval shall be in writing and in recordable form, signed by any two (2) officers of the Association, and shall be delivered to the Transferee of the Offeror. Notwithstanding anything contained herein to the contrary, in the event the Offeror does not wish to consummate the proposed Offering with any Transferee other than the Transferee named in the Transfer Notice, then the Offeror shall so state in the Transfer Notice ("Restricted Transfer Notice") and the Association, within thirty (30) days after receipt of the Restricted Transfer Notice, shall either grant approval in the manner set forth above or deny approval by furnishing notice of such denial to the Offeror of the Transferee named in the Restricted Transfer Notice. In the event the Association denies approval of the Transferee named in the Restricted Transfer Notice, then the Offering shall not be consummated unless and until the Offeror submits another Transfer Notice or Restricted Transfer Notice to the Association and the new proposed Transferee is approved by the Association or, if not restricted by the Offeror in such Transfer Notice, the Association furnishes a substitute Transferee in the manner set forth above. Failure of the Association to grant Approval, or, in the case of a Transfer Notice which is not a Restricted Transfer Notice, to furnish a substitute Transferee or, in the case of a Restricted Transfer Notice, to deny Approval within thirty (30) days after the Restricted Transfer Notice is received, shall constitute Approval, and the Association shall be required to prepare and deliver to the Transferee named in the Transfer Notice or the Restricted Transfer Notice, as the case may be, a written Approval in recordable form signed by two (2) officers of the Association.

## 19.2 Lease



All leases of Dwelling Units having a term of five (5) years or less shall be and shall state therein that they are subject to approval by the Association, which approval shall not be unreasonably withheld. Prior to allowing a proposed lessee to move into a leased Dwelling Unit or providing a key to the Dwelling Unit to the lessee, the Dwelling Unit Owner shall provide a copy of the fully-executed lease to the Association, together with any information about the proposed lessee the Association may require. The Association shall have five (5) business days to express its approval or disapproval of the lessee, in writing. Should the Association not express its approval or disapproval within such five (5)-day period, then the lease and the lessee shall be deemed to be disapproved and, in such event, or should the Association express its disapproval of the lessee, then the Dwelling Unit shall not be leased to the proposed lessee. The Board may, at its sole option, prepare a form of information sheet which it may require all proposed lessees to complete prior to the Association's review of the proposed lease. Any Dwelling Unit Owner who leases his Dwelling Unit shall be responsible for any violations of this Declaration or the rules of the Association committed by his lessee, including any fines imposed by the Board as a result of any such violation.

## 19.3. Acquisition by Gift, Devise or Inheritance

19.3.1. Notification of Acquisition. Any person(s) (except the spouse, parents or children of a Dwelling Unit Owner) who has obtained a Dwelling Unit by gift, devise, inheritance or by any other method not heretofore considered shall give to the Association notice ("Acquisition Notice") of the fact of obtaining such Dwelling Unit, together with: (i) such information concerning



the person(s) obtaining the Dwelling Unit as may be reasonably required by the Association; and (ii) a certified copy of the instrument by which the Dwelling Unit was obtained. If the Acquisition Notice is not given to the Association, then at any time after receiving knowledge of the gift, devise, inheritance or other transaction, the Association may, at its election, approve or disapprove the transaction or ownership. The Association shall proceed as if it had been given the required Acquisition Notice on the date of such knowledge.

19.3.2. Approval by Association. Within thirty (30) days after receipt of the ~~for~~ mentioned Acquisition Notice and information, the Association must either approve or disapprove the transfer of title by gift, devise, inheritance or otherwise to the person(s) receiving the same. The approval of the Association shall be in recordable form signed by any two (2) officers of the Association and delivered to the person (or any of them if there is more than one [1] person) obtaining title. Failure of the Association to act within such thirty (30)-day period shall be deemed to constitute approval, following which the Association, through two (2) officers, shall prepare and deliver written approval in recordable form as aforesaid. If the Association shall disapprove, the matter shall be disposed of by the Association advising the person (or any of them if there is more than one [1] person) obtaining title by gift, devise, inheritance or otherwise in writing, of a purchaser or purchasers who will buy such Dwelling Unit at its fair market value. The fair market value shall be determined by any of the following methods: (i) by three (3) appraisers, one (1) of whom shall be selected by the purchaser, one (1) by the person(s) holding title and one (1) by the two (2) appraisers just appointed; (ii) upon mutual agreement by the purchaser and person(s) holding title; or (iii) by one (1) appraiser mutually agreed upon by the purchaser and the person(s) holding title. Costs for appraisal shall be paid by the purchaser. The purchase price shall be paid in cash and the sale closed within thirty (30) days after determination of the purchase price. Simultaneously with notification to the person (or any of them if there is more than one [1] person) holding title that the Association has furnished a purchaser, there shall be submitted a signed contract by said purchaser or purchasers providing for the acquisition of the Dwelling Unit in accordance with the terms of this Declaration.

19.3.3. Approval by Default. If the Association shall fail to provide a purchaser within thirty (30) days from receipt of the Acquisition Notice, or if the purchaser furnished by the Association shall default in his acquisition, then the Association shall be required to approve the passage of title by gift, devise, inheritance or other transaction and shall evidence the same by an instrument in writing in recordable form signed by two (2) officers of the Association.

19.3.4. Dwelling Unit Owner Obligation to Association. Upon becoming the Owner of a Dwelling Unit by gift, devise, inheritance or otherwise, the Dwelling Unit Owner shall deliver to the Association, as soon as practicable, after the transaction has taken place, a certified copy of the instrument by which title to the Dwelling Unit was obtained and written approval of the Association (as further described in subparagraph 19.3.2).

#### 19.4. Rights of Institutional Mortgagee in Event of Foreclosure

Upon becoming the Owner of a Dwelling Unit through foreclosure or by deed in lieu of foreclosure, an Institutional Mortgagee, or whomsoever shall acquire title to a Dwelling Unit as the result of a foreclosure sale by an Institutional Mortgagee, shall not require the approval of the Association as to its ownership of such Dwelling Unit and shall have the unqualified right to sell, lease, mortgage or otherwise transfer or encumber said Dwelling Unit, including the fee ownership thereof, without prior offer to or approval by the Association, and the provisions of Paragraphs 19.1 and 19.2 of this Article 19 shall not apply to such persons or entities. It is the intent hereof to provide that an Institutional Mortgagee, upon becoming the Owner of a Dwelling Unit under the conditions set forth in the preceding sentence, is not required to have its ownership in a Dwelling Unit approved by the Association and that it is also free from the other restrictions of Paragraphs 19.1 and 19.2 of this Article 19.

### 20. MAINTENANCE AND REPAIR PROVISIONS

#### 20.1. By Dwelling Unit Owners

20.1.1. Maintenance and Repair. Each Dwelling Unit Owner shall maintain in good condition and repair and replace at his expense all portions of his Dwelling Unit, including all window panes, window screens and all interior surfaces within or surrounding his Dwelling Unit (such as the surfaces of the walls, ceilings and floors), entryways and all exterior doors and casings and hardware therefor; maintain and repair the fixtures therein, including the air conditioning equipment; and pay for any utilities which are separately metered to his Dwelling Unit. Every Dwelling Unit Owner shall keep his or her Limited Common Element Balcony or Terrace in a clean manner. Every Dwelling Unit Owner must perform promptly all maintenance and repair work within his Dwelling Unit, as aforesaid, which if not performed would affect the Condominium Property in its entirety or a Dwelling Unit belonging to another Dwelling Unit Owner. Each Dwelling Unit Owner shall be expressly responsible for the damages and liabilities that his failure to perform his above-mentioned responsibilities may engender. Said Dwelling Unit shall be maintained and repaired in accordance with the building plans and specifications utilized by Developer, copies of which are to be on file in the office of the Association, except for changes or alterations approved by the Board as provided in this Declaration.

20.1.2. Alterations. No Dwelling Unit Owner shall make any alterations in a Building or the Common Elements which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety or soundness of the Buildings, the Common Elements or the Limited Common Elements or which, in the sole opinion of the Board, would detrimentally affect the architectural design of the Buildings without first obtaining the written consent of the Board.

20.1.3. Painting and Board Approval. No Dwelling Unit Owner shall paint, refurbish, stain, alter, decorate, repair, replace or change the Common Elements or any outside or exterior portion of a Building maintained by the Association, including Balconies, Terraces, doors or window frames (except for replacing window panes), etc., except as otherwise provided herein with respect to Balcony or Terrace floors. No Dwelling Unit Owner shall have any exterior lighting fixtures, mail boxes, window screens, screen doors, doorbells, awnings, hurricane shutters, hardware or similar items installed which are not consistent with the general architecture of a Building maintained by the Association without first obtaining specific written approval of the Board. The Board shall not grant approval if, in its opinion, the effect of any of the items mentioned herein will be unsightly as to the portion of the Building maintained by the Association and unless such items substantially conform to the architectural design of the Building and the design of any such items which have previously been installed at the time the Board approval is requested.

20.1.4. Duty to Report. Each Dwelling Unit Owner shall promptly report to the Association or its agents any defect or need for repairs on the Condominium Property, the responsibility for the remedying of which is that of the Association.

20.1.5. Use of Licensed Plumbers and Electricians. No Dwelling Unit Owner shall have repairs made to any plumbing or electrical wiring within a Dwelling Unit except by licensed plumbers or electricians authorized to do such work by the Board. The provisions as to the use of a licensed plumber or electrician shall not be applicable to any Institutional Mortgagee or to Developer. Plumbing and electrical repairs within a Dwelling Unit shall be paid for by and shall be the financial obligation of the Dwelling Unit Owner, unless such repairs are made in a Dwelling Unit to plumbing or electrical systems servicing more than one (1) Dwelling Unit.

20.1.6. Access by Association. Each Dwelling Unit Owner shall permit the Association to have access to his Dwelling Unit from time to time during reasonable hours when necessary for the maintenance, repair or replacement of any Common Elements or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Dwelling Unit.

20.1.7. Air-Conditioning. Air conditioning units and service lines incident to air conditioning units which serve only one Dwelling Unit shall be maintained, replaced or repaired by the Dwelling Unit Owner whose Dwelling Unit is serviced by the air conditioning unit; provided, however, that if any repair or alteration is to be made in any Common Elements, the Board shall approve all such work.

20.1.8. Liability for Actions. A Dwelling Unit Owner shall be liable for the expense of any maintenance, repair or replacement of any real or personal property rendered necessary by his act, negligence or carelessness, or by that of his lessee or any member of their families, or their guests, employees or agents (normal wear and tear excepted) but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include the cost of repairing broken windows. A Dwelling Unit Owner shall also be liable for

at injuries caused by his negligent acts or those of his lessee or any member of their family or their guests, employees or agents. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

## 20.2. By the Association

20.2.1. **Improvements.** The Association shall maintain, repair and replace as necessary all of the Common Elements, including the driveways, landscaping and sprinkler systems and any fence or wall, as well as exterior surfaces of the Buildings.

20.2.2. **Utilities.** The Association shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities and equipment for the furnishing of any and all utility services including the operation of the storm water management system and the maintenance of the sanitary sewer service laterals leading to the Buildings, but excluding therefrom appliances, wiring, plumbing fixtures and other facilities within a Dwelling Unit.

20.2.3. **Compliance With Regulations of Public Bodies.** The Association shall perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over the same in order to comply with sanitary requirements, fire hazard requirements, zoning requirements, setback requirements, drainage requirements and other similar requirements designed to protect the public. The cost of the foregoing shall be a Common Expense.

## 20.3. Developer's Warranties

Notwithstanding anything contained in this Article 20 to the contrary, each Dwelling Unit Owner acknowledges and agrees that Developer shall be irreparably harmed if a Dwelling Unit Owner undertakes the repair or replacement of any defective portion of a Dwelling Unit, a Building, the Common Elements or any other real or personal property constituting the Condominium Property during the time in which Developer is liable under any warranties in connection with the sale of any Dwelling Unit. Accordingly, each Dwelling Unit Owner hereby agrees (i) to promptly, upon such Dwelling Unit Owner's knowledge of the existence of any such defective portion, provide written notice to Developer specifying each such defective portion, upon the receipt of which Developer shall have thirty (30) days ("Repair Period") to commence the repair or replacement of such defective portion and diligently pursue the completion thereof; and (ii) not to repair, replace or otherwise adjust any such defective portion during the Repair Period; provided, however, if Developer fails to commence the repair or replacement of such defective portion within the Repair Period, such Dwelling Unit Owner may repair or replace same. If any Dwelling Unit Owner fails to comply with the provisions of this Paragraph 20.3, such Dwelling Unit Owner will be deemed to have breached his obligation to mitigate damages and such Dwelling Unit Owner's conduct shall constitute an aggravation of damages.

#### 20.4. Alterations and Improvements

The Association shall have the right to make or cause to be made structural changes to and improvements of the Common Elements which are approved by the Board and which do not prejudice the rights of any Dwelling Unit Owner or any Institutional Mortgagee. In the event such changes or improvements prejudice the rights of a Dwelling Unit Owner or Institutional Mortgagee, the consent of such Dwelling Unit Owner or Institutional Mortgagee so prejudiced shall be required before such changes or improvements may be made or caused. In any event, approval of the Board shall be submitted for ratification by the affirmative vote of the Dwelling Unit Owners of two-thirds (2/3) of the Dwelling Units if the cost of the same shall be a Common Expense which shall exceed One Thousand Dollars (\$1,000) per Dwelling Unit. (Such amount is based on the value of the dollar in 2004. Such amount shall be increased each year thereafter based upon the increases in the Consumer Price Index.) The cost of such alterations and improvements shall be assessed among the Dwelling Unit Owners in accordance with their respective shares of Common Expenses.

#### 21. ASSESSMENTS FOR COMMON EXPENSES; ESTABLISHMENT AND ENFORCEMENT OF LIENS

##### 21.1. Affirmative Covenant to Pay Common Expenses

In order to: (i) fulfill the covenants contained in this Declaration; (ii) provide for maintenance and preservation of the Common Elements for the recreation, safety, welfare, and benefit of Dwelling Unit Owners, their invitees, guests, family members and lessees, subject to the terms of this Declaration; and (iii) provide for maintenance and preservation of the services and amenities provided for herein, there is hereby imposed upon the Dwelling Units and the Dwelling Unit Owners the affirmative covenant and obligation to pay the Assessments including, but not limited to, the Annual Assessments. Each Dwelling Unit Owner, by acceptance of a deed or other instrument of conveyance for a Dwelling Unit, whether or not it shall be so expressed in such deed or instrument, shall be so obligated and agrees to pay to the Association all Assessments determined in accordance with the provisions of this Declaration and all of the covenants set forth herein shall run with the Condominium Property and each Dwelling Unit therein.

##### 21.2. Lien

The Annual Assessment and Special Assessments, as determined in accordance with Article 22 hereof, together with Interest thereon and costs of collection thereof, including Legal Fees as hereinafter provided, are, pursuant to the Act, subject to a lien right on behalf of the Association to secure payment thereof and such Assessments are hereby declared to be a charge on each Dwelling Unit and shall be a continuing lien upon the Dwelling Unit against which each such Assessment is made. Each Assessment against a Dwelling Unit together with Interest thereon and costs of collection thereof, including Legal Fees, shall be the personal obligation of the person, persons, entity and/or entities owning the Dwelling Unit so assessed. The Association's statutory lien for Assessments shall be effective only from and after the time of recordation amongst the Public

Records of the County of a written acknowledged statement by the Association, as of the date the statement is signed, setting forth the description of the "condominium parcel" (as defined in the Act), the name of the record Owner of the Dwelling Unit, the name and address of the Association, the amount due to the Association and the due dates. Upon full payment of all sums secured by such lien or liens, the party making payment shall be entitled to a recordable satisfaction of the statement of lien.

21.2.1. **Personal Obligation.** Each Assessment against a Dwelling Unit, together with Interest thereon and costs of collection thereof, including Legal Fees, shall be the personal obligation of the person, persons, entity and/or entities owning the Dwelling Unit so assessed.

21.2.2. **Institutional Mortgagees.** An Institutional Mortgagee or other person who obtains title to a Dwelling Unit by foreclosure of a first mortgage, or Institutional Mortgagee who obtains title to a Dwelling Unit by deed in lieu of foreclosure, shall be liable for the unpaid Assessments that became due prior to such acquisition of title to the extent required by Section 718.116 of the Act as it exists at the time of recording this Declaration in the Public Records of the County. Assessments which are not due from such Institutional Mortgagee shall become a Common Expense collectible from all Dwelling Unit Owners pursuant to Paragraph 23.10 hereof.

### 21.3. Enforcement

In the event that any Dwelling Unit Owner shall fail to pay any Annual Assessment, or installment thereof, or any Special Assessment, or installment thereof, charged to his Dwelling Unit within fifteen (15) days after the same becomes due, then the Association, through its Board, shall have the following remedies:

- (i) To advance, on behalf of the Dwelling Unit Owner in default, funds to accomplish the needs of the Association; provided that: (a) the amount or amounts of monies so advanced, including Legal Fees and expenses which have been reasonably incurred because of or in connection with such payments, together with Interest thereon, may thereupon be collected by the Association; and (b) such advance by the Association shall not waive the default of the Dwelling Unit Owner in failing to make his or her payments;
- (ii) To accelerate the entire amount of any Assessments for the remainder of the budget year in accordance with the provisions of the Act and rules set forth in the Florida Administrative Code promulgated by the Division of Florida Land Sales, Condominiums and Mobile Homes;
- (iii) To file an action in equity to foreclose its lien at any time after the effective date thereof or an action in the name of the Association in like manner as a foreclosure of a mortgage on real property; and

- (iv) To file an action at law to collect the amount owing plus Interest and Legal Fees without waiving its lien rights and right of foreclosure.

## 22. METHOD OF DETERMINING, ASSESSING AND COLLECTING ASSESSMENTS

The Assessments as hereinafter set forth and described shall be assessed to and collected from Dwelling Unit Owners on the following basis:

### 22.1. Determining Annual Assessment

22.1.1. — Expenses. The total anticipated Common Expenses for each calendar year shall be set forth in a schedule to the Budget of the Association which shall be prepared by the Board as described in the Articles and Bylaws. The total anticipated Common Expenses shall be that sum necessary for the maintenance and operation of the Condominium and such expenses shall be allocated to the Dwelling Units based upon each Dwelling Unit's share of the Common Expenses, which allocated sum shall be assessed as the "Annual Assessment." The Annual Assessment may be adjusted monthly in the instance where the Board determines that the estimated Common Expenses are insufficient to meet the actual Common Expenses being incurred, in which event the anticipated Common Expenses for the remaining months may be increased accordingly in calculating the Annual Assessment.

22.1.2. Assessment Payment. The Annual Assessment shall be payable monthly in advance on the first day of each month of each year, or at such other time as may be determined by the Board from time to time but in no event less frequently than quarterly. The Association may at any time require the Dwelling Unit Owners to maintain a minimum balance on deposit with the Association to cover future installments of Assessments. The amount of such deposit shall not exceed one-quarter (1/4) of the then current Annual Assessment for the Dwelling Unit.

### 22.2. Special Assessments

In addition to the Annual Assessment, Dwelling Unit Owners shall be obligated to pay such Special Assessments as shall be levied by the Board against their Dwelling Units in accordance with the Bylaws, either as a result of: (i) extraordinary items of expense; (ii) the failure or refusal of other Dwelling Unit Owners to pay their Annual Assessment; or (iii) such other reason or basis determined by the Board which is not inconsistent with the terms of the Condominium Documents or the Act. The amount of a Special Assessment shall be determined as provided in subparagraph 22.1.1 above.

## 23. COMMON EXPENSES

The following expenses are declared to be Common Expenses each Dwelling Unit Owner is obligated to pay to the Association as provided in this Declaration and the Condominium Documents.

### 23.1. Taxes

Any and all taxes levied or assessed at any and all times by any and all taxing authorities, including all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments and water drainage districts, and in general all taxes and tax liens which may be assessed against the Common Elements and against any and all personal property and improvements, which are now or which hereafter may be a portion thereof or be placed thereon, including any interest, penalties and other charges which may accrue thereon shall, as appropriate, be considered Common Expenses.

### 23.2. Utility Charges

All charges against the Association levied for utilities providing services for the Common Elements, whether supplied by a private or public firm shall, as appropriate, be considered Common Expenses. It is contemplated that this obligation will include all charges for water, gas, electricity, telephone, sewer and any other type of utility or any other type of service charge payable by the Association incurred in connection with the Common Elements and Dwelling Units, where applicable.

### 23.3. Insurance

The premiums on any policy or policies of insurance required to be maintained under this Declaration and the premiums on any policy or policies the Association determines to maintain on the Condominium Property or specifically related to this Condominium, even if not required to be maintained by the specific terms of this Declaration, shall be Common Expenses.

### 23.4. Destruction of Buildings or Other Improvements

Any sums necessary to repair or replace, construct or reconstruct damages caused by the destruction of any Building or other structure upon the Common Elements by fire, windstorm, flood or other casualty regardless of whether or not the same is covered in whole or in part by insurance, including all amounts required to be deducted from any proceeds received by the Association from an insurer pursuant to a deductible clause in the applicable insurance agreement, shall be Common Expenses. In the event insurance money shall be payable, such insurance money shall be paid to the Association, which shall open an account with a banking institution doing business in the County for the purpose of providing a fund for the repair and reconstruction of the damage. The Association shall pay into such account, either in addition to the insurance proceeds or, in the event there are no insurance proceeds, such sums as may be necessary so that the funds on deposit will equal the costs of repair and reconstruction of the damage or destruction. The sums necessary to pay for the damage or destruction as herein contemplated shall be considered Common Expenses, but shall be raised by the Association under the provisions for Special Assessments as provided in Paragraph 22.2 of this Declaration. The Association agrees that it will levy Special Assessments to provide the funds for the cost of reconstruction or construction within ninety (90)



days from the date the destruction takes place and shall go forward with all deliberate speed so that the construction or reconstruction, repair or replacement, shall be completed, if possible, within nine (9) months from the date of damage.

### 23.5. Maintenance, Repair and Replacements

Common Expenses shall include all expenses necessary to keep and maintain, repair and replace any and all Buildings, improvements, personal property and furniture, fixtures and equipment of the Association upon the Common Elements and any Association Property, including driveways, landscaping, sprinkler service and any wall or fence, in a manner consistent with the development of the Condominium and in accordance with the covenants and restrictions contained herein, and with all orders, ordinances, rulings and regulations of any and all federal, state and city governments having jurisdiction thereover, including the statutes and laws of the State of Florida and the United States. This shall include any expenses attributable to the maintenance and repair and replacement of pumps or other equipment, if any, located upon or servicing the Condominium Property and any Association Property pursuant to agreements between the Association and utility corporations. Common Expenses shall also include the expenses necessary to keep and maintain, repair and replace any portion of the Conservation Area (as described in Paragraph 12.4 herein) and the Access Area (as described in Paragraph 12.5 herein) for which the Association is responsible. Any expenses for replacements not in the nature of normal repair and maintenance shall be the subject of a Special Assessment as provided in Paragraph 22.2 of this Declaration.

### 23.6. Administrative and Operational Expenses

The costs of administration of the Association including, but not limited to, any secretaries, bookkeepers and other employees necessary to carry out the obligations and covenants of the Association as to the Condominium shall be deemed to be Common Expenses. In addition, it is contemplated that the Association may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate or an otherwise related entity of Developer) to assist in the operation of the Condominium Property and in carrying out the obligations of the Association hereunder. The fees or costs of this or any other management company or contractor so retained shall be deemed to be part of the Common Expenses hereunder, as will fees which may be required to be paid to the Division of Florida Land Sales, Condominiums and Mobile Homes and the Secretary of State of Florida from time to time.

### 23.7. Indemnification

The Association covenants and agrees that it will indemnify and hold harmless Developer and the members of the Board from and against any and all claims, suits, actions, damages, and/or causes of action arising from any personal injury, loss of life, and/or damage to property sustained in or about the Condominium Property or the appurtenances thereto from and against all costs, Legal Fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein. Included in the

foregoing provisions of indemnification are any expenses that Developer may be compelled to incur in bringing suit for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in this Declaration to be kept and performed by the Association.

#### 23.8. Compliance with Laws

The Association shall take such action as it determines necessary or appropriate in order for the Common Elements to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards, and the cost and expense of such action taken by the Association shall be a Common Expense.

#### 23.9. Failure or Refusal of Dwelling Unit Owners to Pay Annual Assessments

Funds needed for Common Expenses due to the failure or refusal of Dwelling Unit Owners to pay their Annual Assessments levied shall, themselves, be deemed to be Common Expenses and properly the subject of an Assessment.

#### 23.10. Extraordinary Items

Extraordinary items of expense under this Declaration, such as expenses due to casualty losses and other extraordinary circumstances, shall be the subject of a Special Assessment.

#### 23.11. Matters of Special Assessments Generally

Amounts needed for capital improvements, as hereinbefore set forth, or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which are not inconsistent with the terms of any of the Condominium Documents must also be approved by a majority vote of the Dwelling Unit Owners at any meeting of Members having a quorum, except that no such approval need be obtained for a Special Assessment for the replacement or repair of a previously existing improvement on the Condominium Property or any Association Property or the Conservation Area or Access Area which was destroyed or damaged, it being recognized that the sums needed for such capital expenditure shall be the subject of a Special Assessment.

#### 23.12. Costs of Reserves

The funds necessary to establish an adequate reserve fund ("Reserves") for periodic maintenance, repair and replacement of the Common Elements and the facilities and improvements thereupon in amounts determined sufficient and appropriate by the Board from time to time shall be a Common Expense. Reserves shall be levied, assessed and/or waived in accordance with the Act. The Reserves shall be deposited in a separate account to provide such funds and reserves. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association and no Dwelling Unit Owner shall have any interest, claim or right to

such Reserves or any fund composed of same.

#### 23.13. Miscellaneous Expenses

Common Expenses shall include the cost of all items of costs or expense pertaining to or for the benefit of the Association or the Common Elements, or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Common Expense by the Board.

### 24. PROVISIONS RELATING TO PROHIBITION OF FURTHER SUBDIVISION

#### 24.1. Subdivision

Except regarding such rights as may be granted by Developer hereunder, the space within any of the Dwelling Units and Common Elements shall not be further subdivided. No time share units may be created in any portion of the Condominium Property. Any instrument, whether a conveyance, mortgage or otherwise, which describes only a portion of the space within any Dwelling Unit shall be deemed to describe the entire Dwelling Unit owned by the person executing such instrument and the interest in the Common Elements appurtenant thereto.

#### 24.2. Incorporation of Section 718.107

The provisions of Section 718.107 of the Act are specifically incorporated into this Declaration.

### 25. PROVISIONS RELATING TO SEVERABILITY

If any provision of this Declaration, any of the other Condominium Documents or the Act is held invalid, the validity of the remainder of this Declaration, the Condominium Documents or the Act shall not be affected.

### 26. PROVISIONS RELATING TO INTERPRETATION

#### 26.1. Titles

Article, Paragraph and subparagraph titles in this Declaration are intended only for convenience and for ease of reference, and in no way do such titles define, limit or in any way affect this Declaration or the meaning or contents of any material contained herein.

## 26.2. Gender

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

## 26.3. Member

As used herein, the term "member" means and refers to any person, natural or corporate, who becomes a member of the Association, whether or not that person actually participates in the Association as a member.

## 26.4. Rule Against Perpetuities

In the event any court should hereafter determine any provisions as originally drafted herein in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of the period involved, the period specified in this Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law, and for such purpose, "measuring lives" shall be that of the incorporator of the Association.

## 27. PROVISIONS CONTAINING REMEDIES FOR VIOLATION

Each Dwelling Unit Owner shall be governed by and shall comply with the Act and all of the Condominium Documents as such Condominium Documents may be amended and supplemented from time to time. Failure to do so shall entitle the Association, any Dwelling Unit Owner or any Institutional Mortgagee holding a mortgage on any portion of the Condominium Property to sue for either injunctive relief, for damages or for both, and such parties shall have all other rights and remedies available at law or in equity. The failure to enforce promptly any of the provisions of the Condominium Documents shall not bar their subsequent enforcement. In any proceeding arising because of an alleged failure of a Dwelling Unit Owner to comply with the terms of the Condominium Documents, the prevailing party shall be entitled to recover the costs of the proceeding and Legal Fees. The failure of the Board to object to Dwelling Unit Owners' or other parties' failure to comply with covenants or restrictions contained herein or in any of the other Condominium Documents (including the rules and regulations promulgated by the Board) now or hereafter promulgated shall in no event be deemed to be a waiver by the Board or of any other party having an interest therein of its rights to object to same and to seek compliance therewith in accordance with the provisions of the Condominium Documents.

## 28. PROVISIONS FOR ALTERATIONS OF DWELLING UNITS BY DEVELOPER

### 28.1. Developer's Reserved Right

Developer reserves the right to alter, change or modify the interior design and arrangement of all Dwelling Units and to nonmaterially alter the boundaries between the Dwelling Units as long as Developer owns the Dwelling Units so altered (which alterations in Developer's Dwelling Units are hereinafter referred to as the "Alterations"). Any material alterations require the majority approval of the Voting Interests in the Condominium.

### 28.2. Alterations Amendment

Any Alterations which will alter the boundaries of existing Common Elements of this Condominium other than interior walls abutting Dwelling Units owned by Developer and the Common Elements therein and not including proposed Common Elements of any Subsequent Phase not then submitted to condominium ownership will first require an amendment to this Declaration in the manner provided in Article 29 hereof.

In the event the Alterations do not require an amendment in accordance with the above provisions, then, as long as Developer owns the Dwelling Units being affected, an amendment of this Declaration shall be filed by Developer ("Developer's Amendment") in accordance with the provisions of this Paragraph 28.2. Such Developer's Amendment need be signed and acknowledged only by Developer and need not be approved by the Association, Dwelling Unit Owners or lienors or mortgagees of the Dwelling Units, whether or not such approvals are elsewhere required for an amendment of this Declaration; provided, however, if the amendment is material, then the consent of a majority of the Dwelling Unit Owners is also required.

## 29. PROVISIONS FOR AMENDMENTS TO DECLARATION

### 29.1. General Procedure

Except as to the Amendment described in Paragraph 28.2 hereof, and the matters described in Paragraphs 29.2, 29.3, 29.4, 29.5, 29.6 and 29.7 below, and except when a greater percentage vote is required by this Declaration for a certain action (in which case such greater percentage shall also be required to effect an amendment) (e.g., Paragraph 11.2 herein), this Declaration may be amended at any regular or special meeting of the Dwelling Unit Owners called and held in accordance with the Bylaws, by the affirmative vote of not less than two-thirds (2/3) of the Dwelling Unit Owners; provided that any amendment shall also be approved or ratified by a majority of the Board as a whole. An amendment to the Declaration shall be evidenced by a certificate executed by the Association and recorded in accordance with the Act. A true copy of such amendment shall be sent by certified mail by the Association to Developer and to all Institutional Mortgagees ("Mailing"). The amendment shall become effective upon the recording of the certificate amongst the Public Records, but the certificate shall not be recorded until thirty (30) days

after the Mailing, unless such thirty (30)-day period is waived in writing by Developer and all Institutional Mortgagees.

#### 29.2. Material Alteration

Except as otherwise provided in this Declaration, no amendment of the Declaration shall change the configuration or size of any Dwelling Unit in any material fashion, materially alter or modify the appurtenances to such Dwelling Unit, change the proportion or percentage by which the Dwelling Unit Owner shares the Common Expenses and owns the Common Surplus and Common Elements or the Dwelling Unit's voting rights in the Association, unless: (i) the record Owner of the Dwelling Unit, and all record owners of liens on the Dwelling Unit join in the execution of the amendment; and (ii) all the record Owners of all other Dwelling Units approve the amendment. Any such amendments shall be evidenced by a certificate joined in and executed by all the Dwelling Unit Owners and all Institutional Mortgagees holding mortgages thereon and shall be recorded in the same manner as provided in Paragraph 29.1; provided, however, no amendment to this Declaration shall change the method of determining Annual Assessments unless approved in writing by the Institutional Mortgagees holding mortgages encumbering two-thirds (2/3) of the Dwelling Units encumbered by mortgages held by Institutional Mortgagees. Consent of Institutional Mortgagees shall not be unreasonably withheld.

#### 29.3. Defect, Error or Omission

Whenever it shall appear to the Board that there is a defect, error or omission in the Declaration, or in other documentation required by law to establish this Condominium, the Association, through its Board, shall immediately call for a special meeting of the Dwelling Unit Owners to consider amending the Declaration or other Condominium Documents. Upon the affirmative vote of one-third (1/3) of the Dwelling Unit Owners, with there being more positive votes than negative votes, the Association shall amend the appropriate documents. A true copy of such amendment shall be sent in conformance with the Mailing. The amendment shall become effective upon the recording of the certificate amongst the Public Records, but the certificate shall not be recorded until thirty (30) days after the Mailing, unless such thirty (30)-day period is waived in writing by Developer and all Institutional Mortgagees.

#### 29.4. Rights of Developer and Institutional Mortgagees

No amendment shall be passed which shall impair or prejudice the rights or priorities of Developer, the Association or any Institutional Mortgagee under this Declaration and the other Condominium Documents without the specific written approval of Developer, the Association or any Institutional Mortgagees affected thereby.

29.5. Scrivener's Error

The Association may amend this Declaration and any exhibits hereto, in order to correct a scrivener's error or other defect or omission by the affirmative vote of two-thirds (2/3) of the Board without the consent of the Dwelling Unit Owners provided that such amendment does not materially and adversely affect the rights of Dwelling Unit Owners, lienors or mortgagees. This amendment shall be signed by the President of the Association and a copy of the amendment shall be furnished to the Association and all Listed Mortgagees and sent pursuant to the Mailing as soon after recording thereof amongst the Public Records as is practicable.

29.6. Amendments Required by Secondary Mortgage Market Institutions

Notwithstanding anything contained herein to the contrary, Developer may, without the consent of the Dwelling Unit Owners, file any amendment which may be required by an Institutional Mortgagee for the purpose of satisfying its Planned Unit Development criteria or such criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, that any such Developer-filed amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

29.7. Amendments Regarding Tenants

Any amendment to any of the Condominium Documents granting the Association or the Board the right to approve or in any manner screen tenants of any Dwelling Unit Owner must first be approved by a majority of the Board and three-fourths (3/4) of all Dwelling Unit Owners (at a duly called meeting of the Dwelling Unit Owners at which a quorum is present).

29.8. Condominium Documents

The Articles, Bylaws and other Condominium Documents shall be amended as provided in such documents.

29.9. Form of Amendment

To the extent required by the Act, as amended from time to time, no provision of this Declaration shall be revised or amended by reference to its title or number only and proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text and underlined; and words to be deleted shall be lined through with hyphens; provided, however, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicated for words added or deleted, but, instead a notation shall be inserted immediately preceding the proposed amendment in substantially the

following language: "Substantial Rewording of Declaration. See provision \_\_\_\_\_ for present text." Notwithstanding anything herein contained to the contrary, however, failure to comply with the above format shall not be deemed a material error or omission in the amendment process and shall not invalidate an otherwise properly promulgated amendment.

### 30. PROVISIONS SETTING FORTH THE RIGHT OF DEVELOPER TO SELL DWELLING UNITS OWNED BY IT FREE OF RESTRICTIONS SET FORTH IN ARTICLE 19

#### 30.1. Developer's Right to Convey

The provisions, restrictions, terms and conditions of Article 19 hereof shall not apply to Developer as a Dwelling Unit Owner, and in the event and so long as Developer shall own any Dwelling Unit, whether by reacquisition or otherwise, Developer shall have the absolute right to sell, convey, transfer, mortgage or encumber in any way any such Dwelling Unit upon any terms and conditions as it shall deem to be in its own best interests.

#### 30.2. Developer's Right to Transact Business

Developer reserves and shall have the right to enter into and transact on the Condominium Property any business necessary to consummate the sale, lease or encumbrance of Dwelling Units or other residential units being developed and sold or leased by Developer in other developments being developed by Developer, including the right to maintain models and a sales and/or leasing office, place signs, employ sales personnel, hold promotional parties, use the Common Elements and show Dwelling Units and including the right to carry on construction activities of all types necessary to construct all improvements in the Condominium pursuant to the plan for development as set forth in Article 10 hereof. Any such models, sales and/or leasing office, signs and any other items pertaining to such sales and/or leasing efforts shall not be considered a part of the Common Elements and shall remain the property of Developer.

#### 30.3. Assignment

This Article 30 may not be suspended, superseded or modified in any manner by any amendment to this Declaration, unless such amendment is consented to in writing by Developer. The right of use and transaction of business as set forth in this Article 30 may be assigned in writing by Developer in whole or in part.

## 31. GENERAL PROVISIONS

### 31.1. Withdrawal Notice and Other Units

31.1.1. Rights of Developer. Nothing contained in this Declaration shall be deemed to prohibit Developer from developing any Dwelling Units other than the Dwelling Units within the Condominium upon any portion of a Subsequent Phase with respect to which Developer has recorded amongst the Public Records a Withdrawal Notice ("Other Units").



31.1.2. Rights of Owners of Other Units to Use Condominium Property and Easements Created for Access. In the event that Developer constructs Other Units, the owners of such Other Units ("Other Unit Owners") and their family members, guests, invitees, and lessees may have as an appurtenance to and a covenant running with such Other Units: (i) the right to use and enjoy any landscaped areas, walks, drives, parking areas, other facilities and improvements, including, but not limited to, the real property and all improvements which comprise the Condominium Property in the same manner and with the same privileges as Dwelling Unit Owners have or may have from time to time; and (ii) a perpetual nonexclusive easement over, across and through the Condominium Property for the use and enjoyment thereof and from and to public ways. If Other Unit Owners have such rights, Dwelling Unit Owners shall have a similar perpetual nonexclusive easement for ingress and egress and access to, over and across the walks and other rights-of-way located upon the portion of the Land covered by a Withdrawal Notice from and to public ways, including dedicated streets and any Association Property, subject to rules and regulations established by any such association governing the use and enjoyment of such easements. The Association shall not establish any rule or regulation with respect to the use and enjoyment of the Condominium Property or the easements created by this subparagraph 31.1.2 which do not apply uniformly to the Dwelling Unit Owners and Other Unit Owners and their respective family members, guests, invitees and lessees, in the event Other Unit Owners are Members of the Association.

31.1.3. Obligations of Other Units. In the event that Developer develops Other Units which have use rights to the Condominium Property, the Association shall itemize separately in the annual budget of the Association, and all adjustments and revisions thereto, the expenses ("Other Unit Expenses") anticipated to be incurred by the Association to administer, operate, maintain, repair, and improve the Condominium Property, including, but not limited to, the cost and expense of any taxes and insurance which can be determined as applicable solely to the Association Property. The Other Unit Expenses shall be assessed proportionately among all existing Dwelling Units and the "Other Units Subject to Assessment" (as hereinafter defined). Each Dwelling Unit's share of the Other Unit Expenses shall be the product of the multiplication of the Other Unit Expenses multiplied by a percentage determined by the relation of the square footage of the Dwelling Unit to the total square footage of the "Total Units" (as hereinafter defined). Each Other Unit Subject to Assessment shall also be responsible for its proportionate share of any expense with respect solely to the Condominium Property subject to a Special Assessment against Dwelling Units. "Other Units Subject to Assessment" shall mean the total number of Other Units developed from time to time on any portion of the Land originally intended to be the Subsequent Phase with respect to which the Developer has recorded amongst the Public Records a Withdrawal Notice and to which Developer has granted the right to use the improvements located upon the Condominium Property, which shall become subject to assessment as provided in Paragraph 31.1 upon the recording amongst the Public Records of a declaration of condominium submitting such Other Units to the condominium form of ownership. "Total Units" as used herein shall mean the sum of the number of Dwelling Units within the Condominium and the number of Other Units Subject to Assessment as determined from time to time. In the event of condemnation of any Other Units Subject to Assessment, assessments against such Other Units Subject to Assessment shall be reduced or eliminated on the same basis as Assessments shall be reduced or eliminated with respect to Dwelling

Units.

31.1.4. Liens upon Other Units. There shall be a charge on and continuing lien upon all Other Units Subject to Assessment against which assessment is made as provided in Article 31 which shall be subject to all provisions herein to which Dwelling Units are subject, including, but not limited to, the rights of foreclosure of Other Units Subject to Assessment and such right shall be set forth in the documents establishing the Other Units.

31.1.5. Conflict with Other Provisions. The matters set forth in subparagraphs 31.1.2, 31.1.3 and 31.1.4 shall only become applicable if, as and when Developer develops Other Units, and, in such event, shall control in the event of any conflict between the terms and provisions of such subparagraphs 31.1.2, 31.1.3 and 31.1.4 and the terms and provisions of any other section of this Declaration. Amendment of this Article 31 shall require, in addition to any votes or approvals elsewhere required, the written consent of Developer for so long as Developer owns any Dwelling Units or Other Units or any portion of the Land upon which they may be built and by a majority of the Other Unit Owners, if any.

31.1.6. Merger. In the event Developer develops Other Units which are submitted to the condominium form of ownership, the Association may merge the condominiums operated by the Association by calling a special meeting for such purpose, obtaining the affirmative vote of seventy-five percent (75%) of the owners in each such condominium, obtaining the approval of all record owners of liens, and recording of new or amended articles of incorporation, declarations of condominium, and bylaws.

### 31.2 Multicondominium

In the event there are Other Units, as described in Paragraph 31.1 hereinaabove, which are units in a condominium or condominiums operated by the Association ("Multicondominium"), then in addition to the provisions of Paragraph 31.1, the following provisions shall also apply.

Liability for the Common Expenses of the Association which are not Common Expenses attributable to a particular condominium or condominiums ("Association Expenses") shall be proportionate as to each Dwelling Unit operated by the Association. The Assessment for Association Expenses as to each condominium shall be determined by multiplying the Association Expenses by the percentage derived by dividing the total square footage of Dwelling Units in one condominium operated by the Association by the total square footage of all Dwelling Units operated by the Association. As to each condominium, this amount shall be payable by each Dwelling Unit owner therein in accordance with the share attributable to said Dwelling Unit as to that condominium, which amount shall be added to the Common Expenses of the condominium to be levied and assessed against said Dwelling Unit owner in accordance with the declaration of condominium for that condominium. The share of each Other Unit Owner in a Multicondominium in the Common Surplus of the Association shall be determined in the same manner.

Developer currently has no plans to have Other Unit Owners in any such Multicondominium share common elements, other than the easement provided in subparagraph 31.1.2 hereinabove, or to add any property to be owned by the Association.

In the event Developer creates a Multicondominium, each Multicondominium Dwelling Unit shall have appurtenant thereto one (1) vote in the Association, which shall be exercised personally by the Dwelling Unit owner.

### 31.3. Severability

Invalidation of any one of these covenants or restrictions or of any of the terms and conditions herein contained shall in no way affect any other provisions, all of which shall remain in full force and effect.

### 31.4. Rights of Mortgagees

31.4.1. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Condominium Documents and the books, records and financial statements of the Association to Dwelling Unit Owners and the holders, insurers or guarantors of any first mortgages encumbering Dwelling Units. In addition, evidence of insurance shall be issued to each Dwelling Unit Owner and mortgagee holding a mortgage encumbering a Dwelling Unit upon written request to the Association.

31.4.2. Rights of Listed Mortgagee. Upon written request to the Association identifying the name and address of the Listed Mortgagee of a mortgage encumbering a Dwelling Unit and the legal description of such Dwelling Unit, the Association shall provide such Listed Mortgagee with timely written notice of the following:

31.4.2.1. Any condemnation, loss or casualty loss which affects any material portion of the Condominium or any Dwelling Unit encumbered by a first mortgage held, insured or guaranteed by such Listed Mortgagee;

31.4.2.2. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

31.4.2.3. Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Dwelling Unit; and

31.4.2.4. Any failure by a Dwelling Unit Owner encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform his obligations under the Condominium Documents, including, but not limited to, any delinquency in the payment of Annual Assessments or Special Assessments, or any other charge owed to the Association by said Dwelling Unit Owner where such failure or delinquency has continued for a period of sixty (60) days.

31.4.3. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the Association, be entitled free of charge to financial statements from the Association for the prior fiscal year and the same shall be furnished within a reasonable time following such request.

31.4.4. Right to Cover Cost. Developer (until the "Majority Election Meeting," as defined in the Articles) and any Listed Mortgagee shall have the right, but not the obligation, jointly or singularly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Dwelling Unit. Further, Developer (until the Majority Election Meeting) and any Listed Mortgagees shall have the right, but not the obligation, jointly or singularly, and at their sole option, to pay insurance premiums or fidelity bond premiums or any New Total Tax on behalf of the Association where, in regard to insurance premiums, the premiums are overdue and where lapses in policies may or have occurred or, in regard to New Total Taxes, where such tax is in default and which may or has become a charge against the Condominium Property. Developer and any Listed Mortgagees paying insurance premiums or any New Total Tax on behalf of the Association as set forth above shall be entitled to immediate reimbursement from the Association plus any costs of collection, including, but not limited to, Legal Fees.

### 31.5. Developer Approval of Association Actions

Notwithstanding anything in this Declaration to the contrary, while Developer holds Dwelling Units for sale or lease in the ordinary course of business, none of the following actions may be taken without approval in writing by Developer:

- (i) Assessment of Developer as a Dwelling Unit Owner for capital improvements;
- and
- (ii) Any action by the Association that would be detrimental to the sale or leasing of Dwelling Units by Developer.

The determination as to what actions would be detrimental or what constitutes capital improvements shall be in the sole discretion of Developer; provided, however, that an increase in assessments for Common Expenses without discrimination against Developer shall not be deemed to be detrimental to the sale or lease of Dwelling Units.

### 31.6. Notices

Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) any Dwelling Unit Owner, at the address of the person whose name appears as the Dwelling Unit Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Dwelling Unit owned by such Dwelling Unit Owner; (ii) the Association, certified mail, return receipt requested, at 601 East

Sheridan Street, Dania Beach, Florida 33004, or such other address as the Association shall hereinafter notify Developer and the Dwelling Unit Owners of in writing; and (iii) Developer, certified mail, return receipt requested, at 649 East Sheridan Street, Dania Beach, Florida 33004, or such other address or addresses as Developer shall hereafter notify the Association of in writing, any such notice to the Association of a change in Developer's address being deemed notice to the Dwelling Unit Owners. Upon request of a Dwelling Unit Owner, the Association shall furnish to such Dwelling Unit Owner the then current address for Developer as reflected by the Association records.

### 31.7. No Time-Share Estates

Pursuant to the requirements of Section 718.403(2)(f) of the Act, it is hereby specified that no time share estates will be created with respect to Dwelling Units in any Phase.

### 31.8. Assignment of Developer's Rights

Developer shall have the right to assign, in whole or in part, any of its rights granted under this Declaration.

### 31.9 Security

The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium safer than it otherwise might be. Developer shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than Developer. Additionally, NEITHER DEVELOPER NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL DWELLING UNIT OWNERS AGREE TO HOLD DEVELOPER AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DEVELOPER, NOR ANY SUCCESSOR DEVELOPER SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE CONDOMINIUM. NEITHER THE ASSOCIATION, DEVELOPER, NOR ANY SUCCESSOR DEVELOPER SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL OWNERS AND OCCUPANTS OF ANY DWELLING UNIT, AND TENANTS, GUESTS AND INVITEES OF A DWELLING UNIT OWNER, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD, DEVELOPER, OR ANY SUCCESSOR DEVELOPER DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DEVELOPER OR THE ASSOCIATION MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES

PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH DWELLING UNIT OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST AND INVITEE OF A DWELLING UNIT OWNER, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD, DEVELOPER, AND ANY SUCCESSOR DEVELOPER ARE NOT INSURERS AND THAT EACH DWELLING UNIT OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST AND INVITEE OF A DWELLING UNIT OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLING UNITS AND TO THE CONTENTS OF DWELLING UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD, DEVELOPER, AND ANY SUCCESSOR DEVELOPER HAVE MADE NEITHER REPRESENTATIONS NOR WARRANTIES NOR HAS ANY OWNER OR OCCUPANT OF ANY DWELLING UNIT, OR ANY TENANT, GUEST OR INVITEE OF A DWELLING UNIT OWNER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE CONDOMINIUM, IF ANY.

## 32. PROVISIONS RELATING TO TERMINATION

### 32.1. Agreement

The Condominium may be terminated at any time by written agreement of the Dwelling Unit Owners of at least three-fourths (3/4) of the Dwelling Units and the Institutional Mortgagee holding the highest total dollar amount of all of the mortgages on the Dwelling Units.

### 32.2. Very Substantial Damage

If the Condominium suffers "very substantial damage" to the extent defined in subparagraph 14.6.3 of this Declaration and it is not decided as provided in said subparagraph that the Condominium will be reconstructed or repaired, the condominium form of ownership of the Condominium Property will be terminated.

### 32.3. Certificate of Termination; Termination Trustee

The termination of the Condominium by either of the foregoing methods shall be evidenced by a Certificate of Termination, executed by the president or vice president of the Association with the formalities of a deed, and certifying to the facts effecting the termination. The certificate also shall include the name and address of a Florida financial institution with trust powers, or a licensed Florida attorney, designated by the Association to act as Termination Trustee. The certificate shall be signed by the Trustee indicating willingness to serve in that capacity. Termination of the Condominium occurs when a Certificate of Termination meeting the requirements of this Paragraph 32.3 is recorded in the Public Records of the County. The recording of the Certificate of Termination automatically divests the Association and all Dwelling Unit Owners of legal title and

vests legal title to all real and personal property formerly the Condominium Property or Association Property ("Property") in the Termination Trustee named in the Certificate of Termination without need for further conveyance. Beneficial title to the Property is owned by the former Dwelling Unit Owners as tenants in common in the same undivided shares each Dwelling Unit Owner previously owned in the Common Elements. On termination, each lien encumbering a "condominium parcel" (as defined in the Act) shall be transferred automatically to the equitable share in the Property attributable to the Dwelling Unit encumbered by the lien with the same priority. Termination incident to a merger of this Condominium with another under subparagraph 31.1.6 shall not require the designation of a Termination Trustee.

#### 32.4 Wind-up of Association Affairs

The termination of the Condominium does not, by itself, terminate the Association. The former Dwelling Unit Owners and their successors and assigns shall continue to be members of the Association, and the members of the Board and the officers of the Association shall continue to have the powers granted in this Declaration, the Articles of Incorporation, and Bylaws for the purpose of winding up the affairs of the Association in accordance with this Article 32.

IN WITNESS WHEREOF, Developer has caused these presents to be duly executed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

WITNESSES:

SHERIDAN 58, LLC, a Florida limited liability company

\_\_\_\_\_  
Print name: \_\_\_\_\_

By: \_\_\_\_\_  
Jose A. Gonzalez, its Manager

\_\_\_\_\_  
Print name: \_\_\_\_\_

STATE OF FLORIDA                    )  
  ) SS:  
COUNTY OF                            )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Jose A. Gonzalez, the Manager of SHERIDAN 58, LLC, a Florida limited liability company, freely and voluntarily under authority duly vested in him by said company. He is personally known to me.

WITNESS my hand and official seal in the County and State last aforesaid this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Typed, printed or stamped name of Notary Public



EXHIBIT A  
TO  
DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO

Legal Description of the Land

PARCEL A, RICHART PLAT, according to the plat thereof, as recorded in Plat Book 150, Page 25,  
Public Records of Broward County, Florida.

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EXHIBITS B-1 THROUGH B-3  
TO  
DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO

Legal Descriptions and Surveys, Plot Plans  
and Graphic Descriptions of Improvements  
for Phases I, II and III

EXHIBIT C  
TO  
DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO

Articles of Incorporation of Sheridan Beach Club  
Condominium Association Number Two, Inc.

EXHIBIT D  
TO  
DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO

Bylaws of Sheridan Beach Club Condominium Association Number Two, Inc.

EXHIBIT E  
TO  
DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO

Shares in Common Elements

| <u>Dwelling Unit No.</u> | <u>Share</u> |
|--------------------------|--------------|
| 1011                     | 1.60990%     |
| 1021                     | 1.68780%     |
| 1031                     | 1.60990%     |
| 1041                     | 1.64790%     |
| 1051                     | 1.60990%     |
| 1061                     | 1.64790%     |
| 1071                     | 1.60990%     |
| 1081                     | 1.68780%     |
| 2011                     | 1.65630%     |
| 2021                     | 1.68780%     |
| 2031                     | 1.68440%     |
| 2041                     | 1.64790%     |
| 2051                     | 1.68440%     |
| 2061                     | 1.64790%     |
| 2071                     | 1.65630%     |
| 2081                     | 1.68780%     |
| 3011                     | 1.65630%     |
| 3021                     | 1.68770%     |
| 3031                     | 1.68440%     |
| 3041                     | 1.64790%     |
| 3051                     | 1.68440%     |
| 3061                     | 1.64790%     |
| 3071                     | 1.65630%     |
| 3081                     | 1.68780%     |
| 4031                     | 2.27260%     |
| 4041                     | 1.80805%     |
| 4051                     | 2.27260%     |
| 4061                     | 2.02220%     |
| 4081                     | 1.80805%     |
| 1012                     | 1.60990%     |
| 1022                     | 1.68780%     |
| 1032                     | 1.60990%     |
| 1042                     | 1.64790%     |

|              |                  |
|--------------|------------------|
| 1052         | 1.60990%         |
| 1062         | 1.64790%         |
| 1072         | 1.60990%         |
| 1082         | 1.68780%         |
| 2012         | 1.65630%         |
| 2022         | 1.68780%         |
| 2032         | 1.68440%         |
| 2042         | 1.64790%         |
| 2052         | 1.68440%         |
| 2062         | 1.64790%         |
| 2072         | 1.65630%         |
| 2082         | 1.68780%         |
| 3012         | 1.65630%         |
| 3022         | 1.68770%         |
| 3032         | 1.68440%         |
| 3042         | 1.64790%         |
| 3052         | 1.68440%         |
| 3062         | 1.64790%         |
| 3072         | 1.65630%         |
| 3082         | 1.68780%         |
| 4032         | 2.27260%         |
| 4042         | 1.80805%         |
| 4052         | 2.27260%         |
| 4062         | 2.02220%         |
| 4082         | 1.80805%         |
| <b>Total</b> | <b>100.0000%</b> |

EXHIBIT F  
TO  
DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO

Permits

JOINDER AND CONSENT OF MORTGAGEE

Recitals:

1. Bank of America, N.A., ("Lender") is the holder of the mortgage given by Sheridan 58, LLC, a Florida limited liability company ("Borrower"), to Lender dated \_\_\_\_\_ and recorded in Official Records Book \_\_\_\_\_ at Page \_\_\_\_\_ of the Public Records of Broward County, Florida ("Mortgage").

2. Lender has been requested by Borrower to join in and consent to the Declaration of Condominium of Sheridan Beach Club Condominium Number Two ("Declaration").

Now, therefore, in consideration of Ten (\$10.00) Dollars and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Lender hereby joins in and consents to the execution, delivery, and recording of the Declaration.

Lender makes no warranty or any representation of any kind or nature concerning the Declaration, any of its terms or provisions, or the legal sufficiency thereof, and disavows any such warranty or representation as well as any participation in the development of the subject condominium, and it does not assume and shall not be responsible for any of the obligations or liabilities of the developer contained in the Declaration or the Prospectus for the Condominium, or other documents issued in connection with the promotion of the Condominium. None of the representations contained in the Prospectus or other documents shall be deemed to have been made by Lender, nor shall they be construed to create any obligation on Lender to any person relying thereon. This joinder and consent is limited to the purposes and requirements of Section 718.104, Florida Statutes, and does not affect or impair the rights and remedies of Lender as set forth in the Mortgage, or in the Declaration.

IN WITNESS WHEREOF, Lender has caused this Joinder and Consent of Mortgagee to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

Signed, sealed and delivered in the presence of:

BANK OF AMERICA, N.A.

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, Vice President

\_\_\_\_\_  
Print Name: \_\_\_\_\_

(Corporate Seal)



STATE OF FLORIDA            )  
  ) SS:  
COUNTY OF MIAMI-DADE    )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by \_\_\_\_\_, as Vice President of BANK OF AMERICA, N.A., freely and voluntarily under authority duly vested in him/her by said entity. He/She is personally known to me or has provided \_\_\_\_\_ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public State of Florida at Large

My Commission Expires:

\_\_\_\_\_  
Typed, printed or stamped name of Notary Public

BROWARD COUNTY TAX LETTER

(For recording purposes only)

FORM OF AMENDMENT TO DECLARATION OF CONDOMINIUM OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO  
TO ADD PHASE

Return to: (enclose self-addressed stamped envelope)

Name:

Address:

This Instrument Prepared by:

Mark F. Grant, Esq.  
Kuden, McToskey, Smith  
Schuster & Russell, P.A.  
200 East Broward Boulevard  
15th Floor  
Fort Lauderdale, Florida 33301

SPACE ABOVE THIS LINE FOR PROCESSING DATA

SPACE ABOVE THIS LINE FOR PROCESSING DATA

**AMENDMENT TO DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO  
TO ADD PHASE \_\_\_\_**

THIS AMENDMENT TO DECLARATION OF CONDOMINIUM OF SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO TO ADD PHASE \_\_\_\_ ("Amendment"), made this \_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_, by SHERIDAN 58, LLC, a Florida limited liability company ("Developer"), whose principal office is located at 701 N.W. 62nd Avenue, Suite 110, Miami, Florida 33126.

WHEREAS, pursuant to the Condominium Act, Chapter 718, Florida Statutes, as amended through the date of recordation of the "Declaration" (as hereinafter defined) ("Act"), Developer has established Sheridan Beach Club Condominium Number Two ("Condominium"), according to the Declaration of Condominium ("Declaration") thereof recorded in Official Records Book \_\_\_\_, Page \_\_\_\_, of the Public Records of Broward County, Florida and any amendments thereto; and

WHEREAS, the Condominium is a "phase condominium" as contemplated by Section 718.403 of the Act and as set forth in the Declaration; and

WHEREAS, the Declaration provides for the submission to condominium ownership of the "Initial Phase" (as defined in the Declaration) and also provides for submission to condominium ownership of Phase \_\_\_\_, as described in the Declaration; and

WHEREAS, Developer desires to add Phase \_\_\_\_ as part of the Condominium.

NOW, THEREFORE, Developer, as the owner in fee simple of the "Phase \_\_\_\_ Land," as hereinafter defined, hereby states and declares:

1. All terms used herein shall have their meaning as defined in the Declaration.

2. The real property more particularly described on the legal description and the Survey, Plot Plan and Graphic Description of Improvements for Phase \_\_\_\_ ("Phase \_\_\_\_ Survey") attached hereto as Exhibit A ("Phase \_\_\_\_ Land") and the improvements located thereon and all easements intended for use in connection with the Condominium are hereby submitted to condominium ownership and added as a part of the Condominium pursuant to Articles 5, 6 and 7 of the Declaration. The Phase \_\_\_\_ Land, together with improvements now or hereafter located thereon and all appurtenances thereto, all as set forth on the Phase \_\_\_\_ Survey, shall constitute Phase \_\_\_\_.

3. The share in the Common Elements of each Dwelling Unit, including Dwelling Units in the prior phase of the Condominium, shall be a \_\_\_\_ (\_\_\_\_) share.

4. This Amendment shall become effective upon recording amongst the Public Records of Broward County, Florida. The effect of this Amendment shall be that Phase \_\_\_\_, together with previously submitted Phase \_\_\_\_, shall be, and the same shall constitute, the Condominium.

IN WITNESS WHEREOF, Developer has hereunto set its hand and official seal on the day and year first above written.

WITNESSES:

SHERIDAN 58, LLC, a Florida limited liability company

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

By: \_\_\_\_\_  
Jose A. Gonzalez, Manager

STATE OF FLORIDA            )  
  )SS:  
COUNTY OF                    )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Jose A. Gonzalez, the Manager of SHERIDAN 58, LLC, a Florida limited liability company, freely and voluntarily under authority duly vested in him by said company. He is personally known to me or has produced \_\_\_\_\_ as identification.

WITNESS my hand and seal in the County and State last aforesaid this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
Typed, printed or stamped name of Notary Public

EXHIBIT A

Legal Description  
and  
Survey, Plot Plan and Graphic Description of Improvements  
for  
Phase \_\_\_\_\_ of Sheridan Beach Club Condominium Number Two

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ARTICLES OF INCORPORATION OF SHERIDAN BEACH CLUB  
CONDOMINIUM ASSOCIATION NUMBER TWO, INC.

**ARTICLES OF INCORPORATION  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC.  
(A Florida Corporation Not for Profit)**

In order to form a corporation not for profit, under and in accordance with Chapter 617 of the Florida Statutes, I, the undersigned, hereby incorporate this corporation not for profit, for the purposes and with the powers hereinafter set forth and to that end, I do, by these Articles of Incorporation, certify as follows:

The terms contained in these Articles of Incorporation are defined in the Condominium Act, Chapter 718, Florida Statutes, 1976 ("Act"), as amended through the date of recording the Declaration amongst the Public Records of Broward County, Florida, shall have the meaning of such terms set forth in such Act unless otherwise defined herein, and, for clarification, the following terms will have the following meanings:

- A. "Act" means the Condominium Act, Chapter 718, Florida Statutes, 1976, as amended through the date of recording the first Declaration amongst the Public Records.
- B. "Articles" means these Articles of Incorporation of the Association.
- C. "Assessments" means the share of funds required for the payment of "Annual Assessments" and "Special Assessments" (as such terms are defined in each Declaration) which from time to time are assessed against a Dwelling Unit Owner.
- D. "Association" means Sheridan Beach Club Condominium Association Number Two, Inc., a Florida corporation not for profit, responsible for operating the Sheridan Beach Club Condominium(s).
- E. "Association Expenses" means the expenses for the operation and administration of the Association in carrying out its powers and duties, including the operation, maintenance, repair or replacement of any Association Property, and the cost of taxes and insurance thereon.
- F. "Association Property" means that property, real and personal, which is owned or leased by the Association for the benefit of its Members.
- G. "Board" means the Board of Directors of the Association.
- H. "Bylaws" means the Bylaws of the Association.
- I. "Common Elements" means the portion of the Condominium Property not included in the Dwelling Units.

J. "Common Expenses" means expenses for which the Dwelling Unit Owners are liable to the Association as set forth in various sections of the Act and as described in the Condominium Documents and include:

- (i) expenses incurred in connection with the operation, maintenance, repair or replacement of the Common Elements, costs of carrying out the powers and duties of the Association with respect to the Condominium and the Condominium Property, cost of fire and extended coverage insurance on the Condominium Property; and
- (ii) any other expenses designated as Common Expenses from time to time by the Board.

K. "Common Surplus" means the excess of receipts of the Association collected on behalf of the Condominium (including, but not limited to, assessments, rents, profits and revenues, on account of the Common Elements) over the Common Expenses.

L. "Condominium" means Sheridan Beach Club Condominium Number Two, and any other Sheridan Beach Club Condominium, if any. The term "the Condominium" refers solely to the condominium named in this definition.

M. "Condominium Documents" means in the aggregate the Declaration, these Articles, the Bylaws, any rules or regulations promulgated by the Association and all of the instruments and documents referred to therein and executed in connection with a Sheridan Beach Club Condominium.

N. "Condominium Property" means the real property submitted to condominium ownership pursuant to the Declaration and any amendment or amendments thereto and all improvements thereon, subject to any and all easements associated therewith, including, but not limited to, the Dwelling Units and Common Elements and all easements intended for use in connection with the Condominium, all as more particularly described in the Declaration.

O. "County" means Broward County, Florida.

P. "Declaration" means the Declaration of Condominium of Sheridan Beach Club Condominium Number Two, as it may be amended from time to time, by which the Condominium is submitted by Developer to the condominium form of ownership in accordance with the Act and any other declaration of condominium for a Sheridan Beach Club Condominium, if any.

Q. "Developer" means Sheridan 58, LLC, a Florida limited liability company, its successors, grantees and assigns. A Dwelling Unit Owner shall not, solely by the purchase of a Dwelling Unit, be deemed a successor or assign of Developer or of the rights of Developer under the Condominium Documents unless such Dwelling Unit Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Developer.

- R. "Director" means a member of the Board.
- S. "Dwelling Unit" means "unit" as described in the Act and is that portion of the Condominium Property, which is subject to exclusive ownership.
- T. "Dwelling Unit Owner" means "unit owner" as defined in the Act and is the owner of a Dwelling Unit.
- U. "Member" means a member of the Association.
- V. "Phase" means a portion of Sheridan Beach Club and the improvements thereon which, as contemplated by Section 718.403 of the Act, may be submitted as Condominium Property of a Sheridan Beach Club Condominium by the recording of the Declaration or an amendment thereto.
- W. "Public Records" means the Public Records of the County.
- X. "Sheridan Beach Club" means the neighborhood to be created by Developer which is intended to comprise Sheridan Beach Club Condominium Number Two, which is planned to have fifty-eight (58) Dwelling Units, and Common Elements.
- Y. "Sheridan Beach Club Condominium(s)" means the condominium or condominiums in Sheridan Beach Club subject to a declaration(s) of condominium, including, but not necessarily limited to, Sheridan Beach Club Condominium Number Two.
- Z. "Voting Certificate" means "voting certificate" as defined in the Act and is the document which designates one (1) of the record title owners, or the corporate, partnership or entity representative who is authorized to vote on behalf of a Dwelling Unit owned by more than one (1) owner or by any entity.
- AA. "Voting Interests" means "voting interests" as defined in the Act and are the voting rights distributed to Members pursuant to the Declaration.

ARTICLE I  
NAME, PRINCIPAL AND MAILING ADDRESS

The name of this Association shall be SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC., whose principal office and mailing address is 649 East Sheridan Street, Dania Beach, Florida 33004.

ARTICLE II  
PLAN OF DEVELOPMENT AND  
PURPOSE OF ASSOCIATION

A. Developer intends to develop the Condominium on property Developer owns in the County. Developer intends to develop the Condominium as a "phase condominium" as contemplated by Section 718.403 of the Act and which is planned to consist of three (3) Phases. If Developer submits all of the Phases to condominium ownership as part of the Condominium by recording the Declaration and an amendment thereto in the Public Records, then the Condominium shall be the only condominium administered by the Association.

B. If Developer does not submit all of the Phases described in the Declaration of Sheridan Beach Club Condominium Number Two to condominium ownership, then Developer may develop the land of any such Phases(s) not made a part thereof as another Sheridan Beach Club Condominium(s) to be administered by the Association.

C. 1. The Association shall be the Association responsible for the operation of each Sheridan Beach Club Condominium(s), subject to the terms and restrictions of the Condominium Documents; however, Developer reserves the right to incorporate additional Association(s) if more than one (1) condominium is created within Sheridan Beach Club. Each Dwelling Unit Owner shall be a Member of the Association as provided in these Articles.

2. The purpose for which this Association is organized is to maintain, operate and manage the Condominium, including, if applicable, any additional Sheridan Beach Club Condominium(s), and to own portions of, operate, lease, sell, trade and otherwise deal with certain of the improvements located therein now or in the future, all in accordance with the plan set forth in the Condominium Documents, and all other lawful purposes.

ARTICLE III  
POWERS

The Association shall have the following powers which shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit, which are not in conflict with the terms of the Condominium Documents or the Act.

B. The Association shall have all of the powers to be granted to the Association in the Condominium Documents. All provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles, including, but not limited to, the operation, maintenance, management, repair and replacement of any Association Property and the Common Elements and the levying and collection of Association Expenses, if any, and Common Expenses and the promulgation and enforcement of rules and regulations.

C. The Association shall have all of the powers of a condominium association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Association including, but not limited to, the following:

1. To make, establish and enforce reasonable rules and regulations governing the use of the Condominium Property (being the Dwelling Units and the Common Elements) and the Association Property, if any;

2. To make, levy, collect and enforce Assessments and special charges and any other charges and/or fees as provided in the Condominium Documents against Dwelling Unit Owners, in order to provide funds to pay for the expenses of the Association, the maintenance, operation and management of the Condominium and Condominium Property and any other Sheridan Beach Club Condominium it may operate and the payment of Common Expenses and Association Expenses, if any, and other expenses in the manner provided in the Condominium Documents and the Act and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Association;

3. To maintain, repair, replace and operate the Condominium Property in accordance with the Declaration and the Act;

4. To reconstruct improvements on the Condominium Property in the event of casualty or other loss;

5. To enforce by legal means the provisions of the Condominium Documents and the Act;

6. To employ personnel, retain independent contractors and professional personnel, and to enter into service contracts to provide for the maintenance, operation and management of the Condominium Property and any Association Property, and to enter into any other agreements consistent with the purposes of the Association including, but not limited to, agreements as to the management of the Condominium Property and agreements to acquire possessory or use interests in real property and to provide therein that the expenses of said real property and any improvements thereon, including taxes, insurance, utility expenses, maintenance and repairs, are Common Expenses of the Condominium or Association Expenses of the Condominium and any other Sheridan Beach Club Condominium operated by the Association, if any, and to enter into agreements for the installation, maintenance and operation of a "master" television antenna system and a cable television system, if any; and

7. To purchase: (i) Dwelling Unit(s) upon which the Association has chosen to exercise any right of first refusal it may have and to obtain such financing as is necessary to effectuate the same; and (ii) other real and/or personal property as determined by the Association in compliance with the Condominium Documents.

8. To borrow money and to obtain such financing as is necessary to maintain, repair and replace the Condominium Property in accordance with the Declaration and the Act and, as

security for any such loan, to collaterally assign the Association's right to collect and enforce Assessments levied for the purpose of repaying any such loan.

#### ARTICLE IV MEMBERS

The qualification of Members of the Association, the manner of their admission to membership, the manner of the termination of such membership, and the manner of voting by Members shall be as follows:

A. Until such time as the Condominium is submitted to condominium ownership by the recordation of the Declaration, the membership of the Association shall comprise solely the members of the "First Board" (as defined in Article IX hereof).

B. Once the Condominium is submitted to condominium ownership by the recordation of the Declaration, the Dwelling Unit Owners, which shall mean in the first instance Developer as the owner of all the Dwelling Units, shall be entitled to exercise all of the rights and privileges of the Members. Developer shall be a Member so long as it is the record owner of any Dwelling Unit in the Condominium or of any Dwelling Unit in any other Sheridan Beach Club Condominium administered by the Association.

C. Except as set forth above, membership in the Association shall be established by the acquisition of ownership of fee title to a Dwelling Unit as evidenced by the recording of a deed or other instrument of conveyance amongst the Public Records, whereupon the membership of the prior Dwelling Unit Owner shall terminate as to that Dwelling Unit. Where title to a Dwelling Unit is acquired from a party other than Developer, the person, persons, corporation or other legal entity thereby acquiring such Dwelling Unit shall not be a Member unless and until such acquisition is in compliance with the provisions of the applicable Declaration. New Members shall deliver to the Association a true copy of the deed or other instrument of acquisition of title to the Dwelling Unit.

D. No Member may assign, hypothecate or transfer in any manner his or her membership or his or her share in the funds and assets of the Association except as an appurtenance to his or her Dwelling Unit.

E. If a second Sheridan Beach Club Condominium is created, membership in the Association shall be divided into classes ("Class Members"), with Dwelling Unit Owners in each Sheridan Beach Club Condominium constituting a class. If one or more additional Sheridan Beach Club Condominium(s) are created, the Dwelling Unit Owners thereof who are Members of the Association shall also be Class Members as to each additional condominium. Each class shall be designated by a letter denoting the sequence in which a particular Sheridan Beach Club Condominium was submitted to condominium ownership. For example, the Dwelling Unit Owners of the Condominium, provided it is the first Sheridan Beach Club Condominium created and additional Sheridan Beach Club Condominium(s) are created, would be "Class A Members" and the unit owners of the next Sheridan Beach Club Condominium would be "Class B Members."

F. With respect to voting, the following provisions shall apply:

1. Either the membership as a whole shall vote or the Class Members shall vote, which determination shall be made in accordance with subparagraphs F.2 and F.3 immediately below. In any event, however, each Dwelling Unit shall be entitled to only one (1) vote, which vote shall be exercised and cast in accordance with the applicable Condominium Documents. In the event there is more than one (1) Dwelling Unit Owner with respect to a Dwelling Unit as a result of the fee interest in such Dwelling Unit being held by more than one (1) person or an entity, such owners collectively shall be entitled to only one (1) vote in the manner determined by the applicable Declaration.

2. In matters that require a vote, voting shall take place as follows:

(a) Matters substantially pertaining to a particular Sheridan Beach Club Condominium or any combination of Sheridan Beach Club Condominiums shall be voted upon only by the Class Members of the applicable Sheridan Beach Club Condominium(s) and shall be determined by a vote of a majority of such Class Members at any meeting having a proper quorum (as determined in accordance with the Bylaws); and

(b) Matters substantially pertaining to all of Sheridan Beach Club Condominiums or to the Association as a whole shall be voted on by the entire membership and shall be determined by a vote of a majority of the Voting Interests in attendance at any meeting having a quorum (as determined in accordance with the Bylaws).

3. Any decision as to whether a matter substantially pertains to a particular Sheridan Beach Club Condominium or any combination of Sheridan Beach Club Condominiums or to the Association as a whole, for purposes of voting, shall be determined solely by the Board. Notwithstanding the foregoing, no action or resolution affecting a Sheridan Beach Club Condominium or any combination of Sheridan Beach Club Condominiums which the Board determines requires the vote of the Members as a whole shall be effective with regard to a Sheridan Beach Club Condominium unless the Class Members of the particular Sheridan Beach Club Condominium or any combination of Sheridan Beach Club Condominiums so affected shall be given the opportunity to also vote on said action or resolution as a class or classes.

4. The membership shall be entitled to elect the Board as provided in Article IX of these Articles.

5. Notwithstanding any other provisions of these Articles, on matters which require voting by the Members, if the question is one upon which, by express provisions of the Act or the Condominium Documents (provided the express provisions of the Condominium Documents are in accordance with the requirements of the Act), requires a vote of other than a majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.



ARTICLE V  
TERM

The term for which this Association is to exist shall be perpetual.

ARTICLE VI  
INCORPORATOR

The name and address of the Incorporator of these Articles is as follows: Kevin M. Guthard, 649 East Sheridan Street, Dania Beach, Florida 33004.

ARTICLE VII  
OFFICERS

A. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer and, if elected by the Board, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board. The Board may employ a managing agent and/or such other managerial and supervisory personnel or entities as it deems necessary to administer or assist in the administration of the operation or management of the Association and Developer shall have the right to be reimbursed for expenses incurred by Developer on behalf of the Association in managing the Association.

B. The Board shall elect the President, the Vice President, the Secretary, and the Treasurer, and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board following the "Annual Members' Meeting" (as described in Section 4.1 of the Bylaws); provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the Bylaws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary or Assistant Secretary.

ARTICLE VIII  
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

|                 |                      |
|-----------------|----------------------|
| President:      | Kevin M. Guthard     |
| Vice President: | Jose Antero Gonzalez |
| Secretary:      | Carlos Fernandez     |
| Treasurer:      | Carlos Fernandez     |

ARTICLE IX  
BOARD

A. The number of Directors on the first Board ("First Board"), the "Initial Elected Board" (as hereinafter defined) and all Boards elected prior to the "Majority Election Meeting" (as hereinafter defined) shall be three (3). Beginning with the Majority Election Meeting, there shall be a Class Director for each Sheridan Beach Club Condominium, if applicable, and, if necessary, subsequent to "Developer's Resignation Event" (as hereinafter defined), there shall also be an additional Director elected "at large," so that there will always be an odd number of Directors. The number of Directors elected by the Members at and subsequent to the Majority Election Meeting shall be as provided in Paragraph L of this Article IX.

B. The names and addresses of the persons who are to serve as the First Board are as follows:

| <u>NAME</u>          | <u>ADDRESS</u>   |
|----------------------|--|
| Kevin M. Guthard     | 649 East Sheridan Street<br>Dania Beach, Florida 33004 |
| José Antero Gonzalez | 649 East Sheridan Street<br>Dania Beach, Florida 33004 |
| Carlos Fernandez     | 649 East Sheridan Street<br>Dania Beach, Florida 33004 |

Developer reserves the right to designate successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided. Developer reserves the right to remove any Director from the First Board and the right to remove any Director designated by Developer in accordance with these Articles.

C. Upon the conveyance by Developer to Dwelling Unit Owners other than Developer ("Purchaser Members") of fifteen percent (15%) or more of the Dwelling Units in the first Sheridan Beach Club Condominium created (as evidenced by the recordation of deeds), including Dwelling Units located within all Phases of the Condominium contemplated in the Declaration (provided Developer still has the right to submit the additional Phases to condominium ownership), the Purchaser Members shall be entitled to elect one-third (1/3) of the Board, which election shall take place at the Initial Election Meeting. Developer shall designate the remaining Directors on the Board at the Initial Election Meeting. The Director to be so elected by the Purchaser Members and the remaining Directors to be designated by Developer are hereinafter collectively referred to as the "Initial Elected Board" and shall succeed the First Board upon their election and qualification. Subject to the provisions of Paragraph IX.D below, the Initial Elected Board shall serve until the next Annual Members' Meeting, whereupon, the Directors shall be designated and elected in the same manner as the Initial Elected Board. The Directors shall continue to be so designated and elected at each subsequent Annual Members' Meeting until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Board. Developer reserves the right, until such

time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Board, to designate successor Directors to fill any vacancies caused by the resignation or removal of Directors designated by Developer pursuant to this Paragraph IX.C.

D. Purchaser Members are entitled to elect not less than a majority of the Board upon the happening of any of certain events.

1. Purchaser Members other than the Developer are entitled to elect not less than a majority of the Board upon the happening of the following, whichever shall first occur (reciting the provisions of Sections 718.301[1][a]-[c] of the Act, as required by Rule 61B-17.0012, F.A.C.):

(a) Three (3) years after fifty percent (50%) of the "Total Dwelling Units" (as hereinafter defined) have been conveyed to purchasers;

(b) Three (3) months after ninety percent (90%) of the Total Dwelling Units have been conveyed to purchasers;

(c) When all the Total Dwelling Units have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;

(d) When some of the Total Dwelling Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by Developer in the ordinary course of business; or

(e) Seven (7) years after the recordation of the Declaration or, in the case of a condominium association which may ultimately operate more than one (1) condominium, seven (7) years after recordation of the Declaration for the first condominium it operates, or in the case of a condominium association operating a phase condominium created pursuant to Section 718.403 of the Act, seven (7) years after recordation of the declaration creating the initial phase, whichever occurs first. The Developer is entitled to elect at least one (1) member of the Board of the Association as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Dwelling Units in a Sheridan Beach Club Condominium. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Dwelling Units in the same manner as any other Dwelling Unit Owner, except for purposes of reacquiring control of the Association or selecting a majority of the members of the Board.

The term "Total Dwelling Units" means the number of Dwelling Units contemplated for all of the Sheridan Beach Club Condominiums (less the number of Dwelling Units in any and all Phases of any Sheridan Beach Club Condominiums developed as a phase condominium pursuant to the Act which Developer decides neither to submit as part of any Sheridan Beach Club Condominium as provided in the Declaration nor to submit to condominium ownership as a separate condominium[s] or which Developer determines to be operated by another condominium association).

2. Notwithstanding the above Article IX.D(1), Developer shall have the right to at any time, upon written notice to the Association, relinquish its right to designate a majority of the Board.

E. The election of not less than a majority of Directors by the Purchaser Members shall occur at a meeting of the membership to be called by the Board for such purpose ("Majority Election Meeting").

F. If upon the occurrence of the Majority Election Meeting, more than one (1) Sheridan Beach Club Condominium has been subjected to administration by the Association, then a class of Directors ("Class Directors") shall be created for each Sheridan Beach Club Condominium in the manner provided for in Paragraph G of this Article IX. Each class of Director shall be designated by a letter denoting the sequence in which the subject Sheridan Beach Club Condominium was created. For example, the Directors of the Condominium, provided it is the first Sheridan Beach Club Condominium, would be "Class A Directors" and the directors of the next Sheridan Beach Club Condominium would be "Class B Directors." Each Sheridan Beach Club Condominium shall have one (1) Class Director and one or more Director(s) shall be elected "at large," in accordance with Paragraph A of this Article IX if required by Paragraph A of this Article IX.

G. At the Majority Election Meeting, each class of Purchaser Members shall elect one (1) Director and Developer, until the Developer's Resignation Event, shall be entitled to designate Directors, the number of which shall be one (1) less than the number of Directors elected by the Purchaser Members. (In the event there is not more than one (1) Sheridan Beach Club Condominium, the Purchaser Members shall elect two (2) Directors and Developer shall designate one (1) Director). Developer reserves the right, until the Developer's Resignation Event, to name the successor, if any, to any Director it has so designated; provided, however, Developer shall in any event be entitled to exercise any right it may have to representation on the Board as granted by law, notwithstanding the occurrence of the Developer's Resignation Event.

H. At the first Annual Members' Meeting held after the Majority Election Meeting, a "staggered" term of office of the Board shall be created as follows (as to those Directors elected by the Purchaser Members only):

1. a number equal to fifty percent (50%) of the total number of Directors rounded to the next whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2)-year term will be the Directors receiving the most votes at the meeting; and

2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

I. The Board shall continue to be elected by the Members subject to Developer's right to appoint a member or members to the Board as specified in the Act at each subsequent Annual Members' Meeting, until Developer is no longer entitled to appoint a member to the Board.

J. The Initial Election Meeting and the Majority Election Meeting shall be called by the Association, through its Board, within seventy-five (75) days after the Purchaser Members are entitled to elect a Director or the majority of Directors, as the case may be. A notice of the election shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least sixty (60) days' notice of such election. The notice shall also specify the number of Directors who shall be elected by the Purchaser Members and the remaining number of Directors designated by Developer.

K. Developer shall cause all of its designated Directors to resign when Developer no longer holds at least five percent (5%) of the Total Dwelling Units in a Sheridan Beach Club Condominium for sale in the ordinary course of business. In addition, Developer may at any time, in its sole discretion, cause the voluntary resignation of all of the Directors designated by it. The happening of either such event is herein referred to as the "Developer's Resignation Event." Upon the Developer's Resignation Event, the Directors elected by Members shall elect successor Directors to fill the vacancies caused by the resignation or removal of the Developer's designated Directors. These successor Directors shall serve until the next Annual Members' Meeting and until their successors are elected and qualified; provided, however, nothing herein contained shall be deemed to waive any right to representation on the Board which Developer may have pursuant to the Act. Developer specifically reserves the right to assert any right to representation on the Board it may have pursuant to the Act, notwithstanding that the Developer's Resignation Event may have previously occurred.

L. At each Annual Members' Meeting held subsequent to the year in which the Majority Election Meeting occurs, the number of Directors to be elected shall be determined by the Board from time to time, but there shall not be less than three (3) Directors. In the event, however, there are two (2) or more Sheridan Beach Club Condominiums operated by the Association, then the minimum number of Directors shall be one (1) Director from each Class elected by the Class Members thereof and, if necessary to have an odd number of Directors, one (1) Director-at-Large elected by all of the Members.

M. The following provisions shall govern the right of each Director to vote and the manner of exercising such right:

1. There shall be only one (1) vote for each Director.
2. All of the Directors of the Board shall vote thereon as one (1) body, without distinction as to class, on matters which pertain to the Association, the Association Property, if any, or all of the Sheridan Beach Club Condominiums.
3. On matters pertaining exclusively to a particular Sheridan Beach Club Condominium, only the affected Class Directors shall vote thereon.

4. Subject to the provisions of Subparagraphs 1, 2 and 3 immediately preceding, the Board as a whole shall determine whether a matter shall be voted on by Class Directors or by the entire Board as a whole. In the case of deadlock by the Board, application shall be made to a court of competent jurisdiction to resolve the deadlock.

5. In the determination of whether a quorum exists or whether the Board has duly acted with respect to any matter: (a) on matters which are voted on by the Board as a whole, such determination shall be made with respect to the number of all of the Directors; and (b) on matters which are voted on by Class Directors, such determination shall be made with respect to the number of Class Directors.

#### ARTICLE X POWERS AND DUTIES OF THE BOARD

All of the powers and duties of the Association shall be exercised by the Board in accordance with the provisions of the Act and the Condominium Documents, where applicable, and shall include, but not be limited to, the following:

A. Making and collecting Assessments against Members to defray the costs of the Common Expenses and, if applicable, the Association Expenses, and collecting that portion of the Common Expenses and, if applicable, the Association Expenses, attributable to Dwelling Unit Owners in each Sheridan Beach Club Condominium as determined in accordance with the Condominium Documents.

B. Using the proceeds of Assessments in the exercise of the powers and duties of the Association and the Board.

C. Maintaining, repairing and operating the improvements within the Sheridan Beach Club Condominium(s) and the Association Property, if any.

D. Reconstructing improvements after casualties and losses and making further authorized improvements within the Sheridan Beach Club Condominium(s) and the Association Property, if any.

E. Making and amending rules and regulations with respect to the Sheridan Beach Club Condominium(s) and for the Association Property, if any.

F. Enforcing by legal means the provisions of the Condominium Documents.

G. Contracting for the management and maintenance of the Condominium Property and the Association Property, if any, and authorizing a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records and enforcement of rules, and maintenance, repair and replacement of improvements or portions thereof for which the Association has such responsibility and other services with funds that shall be made available by the Association for such purposes and terminating such contracts and authorizations. The Association and its officers shall,

however, retain at all times the powers and duties granted by the Condominium Documents and the Act including, but not limited to, the making of Assessments, promulgation of rules and regulations and execution of contracts on behalf of the Association.

H. Paying taxes and assessments which are or may become liens against the Common Elements of any Sheridan Beach Club Condominium and assessing the same against the Dwelling Unit Owners who are responsible for the payment thereof.

I. Purchasing and carrying insurance for the protection of Members and the Association against casualty and liability in accordance with the Act and the Condominium Documents and to allocate the premiums therefor in accordance with the Condominium Documents.

J. Paying costs of all power, water, sewer and other utility services rendered to the Condominium Property of any Sheridan Beach Club Condominium, or the Association Property, if any, and not billed directly to Dwelling Unit Owners.

K. Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration and purposes of the Association and paying all salaries therefor.

L. Engaging in mandatory nonbinding arbitration as provided for in Section 718.112(2)(j)3 of the Act for the settlement of disputes as provided for in Section 718.1255 of the Act. The provisions of Sections 718.112(2)(j)3 and 718.1255 are incorporated by reference herein.

M. Preparing a question and answer sheet, if and as required by the Act and the rules promulgated in the Florida Administrative Code by the Division of Florida Land Sales, Condominiums and Mobile Homes, and updating the question and answer sheet at least annually.

N. Maintaining an adequate number of copies of the Condominium Documents, as well as the question and answer sheet referred to in Paragraph X.M. above, on the Condominium Property to ensure their availability to Dwelling Unit Owners and prospective purchasers. The Association may charge its actual costs for preparing and furnishing the foregoing to those requesting same.

O. Ensuring that the following contracts shall be in writing:

1. Any contract for the purchase, lease or renting of materials or equipment which is not to be fully performed within one (1) year from the date of execution of the contract; and


2. Any contract, regardless of term, for the provision of services, other than contracts with employees of the Association, and contracts for attorneys and accountant services, and any other service contracts exempted from the foregoing requirement by the Act or rules set forth in the Florida Administrative Code as they relate to condominiums, as the Act and such rules may be amended from time to time.

P. Obtaining competitive bids for materials, equipment and services where required by the Act and rules set forth in the Florida Administrative Code as they relate to condominiums.

Q. Approving or disapproving proposed purchasers of Dwelling Units, by sale, gift, devise, inheritance or otherwise, and approving or disapproving of proposed lessees of Dwelling Units in accordance with any existing or future provisions set forth in the Condominium Documents and the Act and collecting the highest fee allowed therefor by the Act.

R. All other powers and duties reasonably necessary to operate and maintain Sheridan Beach Club Condominium(s) administered by the Association in compliance with the Condominium Documents and the Act.

#### ARTICLE XI INDEMNIFICATION



Every Director and every officer of the Association (and the Directors and/or officers as a group) shall be indemnified by the Association against all expenses and liabilities, including counsel fees (at all trial and appellate levels) reasonably incurred by or imposed upon him or them in connection with any proceeding, litigation or settlement in which he or they may become involved by reason of his or their being or having been a Director(s) or officer(s) of the Association. The foregoing provisions for indemnification shall apply whether or not he or they is or are a Director(s) or officer(s) at the time such expenses and/or liabilities are incurred. Notwithstanding the above, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board approves such settlement and authorizes reimbursement for the costs and expenses of the settlement as in the best interest of the Association. In instances where a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer may be entitled whether by statute or common law. The indemnification hereby afforded to Directors and officers shall also extend to any entity other than the Association found responsible or liable for the actions of such individuals in their capacity as Directors or officers, including, but not limited to, Developer.

#### ARTICLE XII BYLAWS

The Bylaws shall be adopted by the First Board and thereafter may be altered, amended or rescinded by the affirmative vote of not less than a majority of the Members present at an Annual Members' Meeting or special meeting of the membership and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. In the event of a conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.



ARTICLE XIII  
AMENDMENTS

A. Prior to the recording of the Declaration amongst the Public Records, these Articles may be amended by an instrument in writing signed by the President (or a Vice President) and the Secretary (or an Assistant Secretary) and filed in the Office of the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended, give the exact language of such amendment, and give the date of adoption of the amendment by the Board. A certified copy of each such amendment shall always be attached to any certified copy of these Articles or a certified copy of the Articles as restated to include such amendment(s) ~~and shall be an exhibit to each Declaration upon the recording of each Declaration.~~ This Article XIII is intended to comply with Chapter 617, Florida Statutes.

B. After the recording of the first Declaration amongst the Public Records, these Articles may be amended in the following manner:

1. The Board, as a whole, shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may be at either the Annual Members' Meeting or a special meeting. Any number of amendments may be submitted to the Members and voted upon by them at one meeting;

2. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member of record entitled to vote within the time and in the manner provided in the Bylaws for the giving of notice of meetings of Members ("Required Notice");

3. At such meeting a vote of the Members, including Developer as to any Dwelling Units it owns, shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted upon receiving the affirmative vote of a majority of the votes of all Members entitled to vote thereon, unless only a Class or Classes of Members is or are entitled to vote thereon pursuant to Article IV hereof, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes of Members of the or each Class entitled to vote thereon as a Class and the affirmative vote of all Members entitled to vote thereon; or

4. An amendment may be adopted by a written statement signed by all Directors and the written consent of Members representing the Voting Interests sufficient to pass the amendment if the vote were to be taken at a meeting where all Members are present and setting forth their intention that an amendment to the Articles be adopted. Where an amendment is passed by written consent in lieu of a meeting, those Members not submitting written consent shall be notified in writing of the passage thereof.

C. No amendment may be made to the Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in any Declaration.

D. A copy of each amendment shall be certified by the Secretary of State of the State of Florida and, after the recordation of a Declaration, recorded amongst the Public Records as an amendment to each Declaration.

E. Notwithstanding the foregoing provisions of this Article XIII, there shall be no amendment to these Articles which shall abridge, amend or alter the rights of Developer, including the right to designate and select the Directors as provided in Article IX hereof, without the prior written consent thereto by Developer, nor shall there be any amendment to these Articles which shall abridge, alter or modify the rights of the holder, guarantor or insurer of a first mortgage on any Dwelling Unit or of any "Institutional Mortgagee" (as defined in each Declaration) without its prior written consent to the degree this provision is permitted by the Act.

#### ARTICLE XIV EMERGENCY POWERS

The following shall apply to the extent not viewed to be in conflict with the Act:

A. During any emergency defined in Paragraph XIV.E below or in anticipation of such emergency, the Board may:

1. Modify lines of succession to accommodate the incapacity of any Director, officer, agent or employee of the Association; and
2. Relocate the principal office of the Association or designate alternate principal offices or authorize officers to do so.

B. During any emergency defined in Paragraph XIV.E below:

1. One or more officers of the Association present at a meeting of the Board may be deemed to be Directors for the meeting, in order of rank and within the same order of rank in order of seniority, as necessary to achieve a quorum; and
2. The Director or Directors in attendance at a meeting shall constitute a quorum.

C. Corporate action taken in good faith during an emergency under this Article XIV to further the ordinary affairs of the Association:

1. Binds the Association; and
2. May not be used to impose liability on a Director, officer, employee or agent of the Association.

D. A Director, officer or employee of the Association acting in accordance with any emergency bylaws is only liable for willful misconduct.

E. An emergency exists for the purposes of this Article XIV if a quorum of the Directors cannot readily assemble because of a catastrophic event.

ARTICLE XV  
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 649 East Sheridan Street, Dania Beach, Florida 33004 and the initial registered agent of the Association at that address shall be Kevin M. Guthard.

IN WITNESS WHEREOF, the Incorporator has hereto affixed his signature, this \_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Kevin M. Guthard

The undersigned hereby accepts the designation of Registered Agent of Sheridan Beach Club Condominium Association Number Two, Inc. as set forth in Article XV of these Articles of Incorporation and acknowledges that he is familiar with and accepts the obligations imposed upon registered agents under the Florida Not For Profit Corporation Act.

\_\_\_\_\_  
Kevin M. Guthard

STATE OF FLORIDA                    )  
  ) SS:  
COUNTY OF \_\_\_\_\_)

I HEREBY CERTIFY that on this day before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared Kevin M. Guthard, to me known to be the person described as the Incorporator in and who executed the foregoing Articles of Incorporation and he acknowledged before me that he executed the same for the purposes therein expressed. He is personally known to me or has provided \_\_\_\_\_ as identification.

WITNESS my hand and official seal in the State and County last aforesaid this \_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_ at Large

\_\_\_\_\_  
Typed, printed or stamped name of Notary

My Commission Expires:



BYLAWS OF SHERIDAN BEACH CLUB CONDOMINIUM  
ASSOCIATION NUMBER TWO, INC.

**BYLAWS  
OF  
SHERIDAN BEACH CLUB  
CONDOMINIUM ASSOCIATION NUMBER TWO, INC.**

**Section 1. Identification of Association**

These are the Bylaws ("Bylaws") of SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION, INC. ("Association"), as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapter 617, Florida Statutes, for the purposes of managing, operating, and administering the condominium known as Sheridan Beach Club Condominium Number Two, as well as any other condominium(s) which may be developed within Sheridan Beach Club ("Sheridan Beach Club Condominiums") and subjected to the administration of the Association, as more particularly set forth in the Articles of Incorporation of the Association ("Articles").

1.1. The office of the Association shall be for the present at 649 East Sheridan Street, Dania Beach, Florida 33004 and thereafter may be located at any place designated by the Board.

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

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

**Section 2. Definitions**

2.1. All terms shall have the meanings set forth in the Condominium Act, Chapter 718, Florida Statutes, 1976 ("Act") as amended through the date of recording the "Condominium Declaration" amongst the Public Records of Broward County, Florida ("County") and, for clarification, certain terms shall have the meanings ascribed to them in the Articles. All terms defined in the Articles shall appear with initial capital letters each time such term appears in these Bylaws.

2.2. Notwithstanding anything herein to the contrary, references to any of the Condominium Documents shall be deemed to include any amendment to any document as set forth therein.

**Section 3. Membership; Members' Meetings; Voting and Proxies**

3.1. The qualification of Members, the manner of their admission to membership and the termination of such membership shall be as set forth in Article IV of the Articles.

3.2. The Members shall meet annually on the Condominium Property, or at another place in the County, at such time as determined by the Board and as designated in the notice of such meeting ("Annual Members' Meeting"), commencing with the year following the year in which the Articles are filed with the Secretary of State. All meetings of the Members shall be conducted in the

English language. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (subject to the provisions of Article IX of the Articles) and transact any other business authorized to be transacted by the Members.

3.3. Special meetings of the Members or any Class Members, as the case may be and as determined pursuant to Article IV of the Articles, shall be held at any place within the State of Florida whenever called by the President or Vice President of the Association or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from one-third (1/3) of the Members or any Class Members, as the case may be, except as otherwise provided in Sections 4.5(a) and 7.3(b) hereof. Unless specifically stated otherwise herein, the provisions of these Bylaws pertaining to meetings of Members shall also be applicable to meetings of Class Members.

3.4. Except as otherwise provided herein, written notice of a meeting (whether the Annual Members' Meeting or a special meeting of the Members) shall be mailed or hand delivered to each Member at his or her last known address as it appears on the books of the Association or electronically transmitted to the location furnished by the Dwelling Unit Owner for that purpose. Proof of such mailing shall be given by affidavit of the person who mailed such notice and also by such other method as may be required by the Act. The notice shall state the time and place of such meeting and the purposes for which the meeting is called. Unless a Member waives in writing the right to receive notice of the meeting, written notice of Annual Members' Meetings and special meetings of the Members shall be mailed, hand delivered or electronically transmitted to each Member in the manner required by the Act, not less than fourteen (14) days prior to the date of the meeting. Notice of the Annual Members' Meeting or special meeting of the Members shall be posted at a conspicuous place on the Condominium Property, as more particularly set forth in the rules and regulations, at least fourteen (14) continuous days prior to the meeting. In lieu of or in addition to the physical posting of notice of any meeting of the Members on the Condominium Property, the Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Association. However, if broadcast notice is used in lieu of a notice posted physically on the Condominium Property, the notice and agenda must be broadcast at least four (4) times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficiently continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. If a meeting of the Members, either a special meeting or an Annual Members' Meeting, is one which, by express provision of the Act or Condominium Documents (provided the express provision of the Condominium Documents is in accordance with the requirements of the Act) there is permitted or required a greater or lesser amount of time for the mailing, hand delivery, electronic transmittal or posting of notice than is required or permitted by the provisions of this Paragraph 3.4, then such express provision shall govern.

3.5. The Members or any Class Members, as the case may be, may waive notice of special meetings; and, at the discretion of the Board, act by written agreement in lieu of a meeting. Written notice of the matter or matters to be considered by written agreement in lieu of a meeting shall be given to the Members or any Class Members, as the case may be, at the addresses and within the time periods set forth in Section 3.4 hereof or duly waived in accordance with such Section. The

notice shall set forth a time period, during which time period a response must be made by a Member. The decision of a majority of a quorum of the Voting Interests (as evidenced by written response to be solicited in the notice) shall be binding on the Members or any Class Members, as the case may be, provided a quorum of the Members or any Class Members, as the case may be, submits a response. However, if the question is one upon which, by express provisions of the Act or the Condominium Documents (provided the express provisions of the Condominium Documents are in accordance with the requirements of the Act), requires a vote of other than a majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.6. A quorum of the Members shall consist of persons entitled to cast votes on behalf of thirty percent (30%) of the entire Membership. A quorum of any Class Members shall consist of persons entitled to cast votes on behalf of thirty percent (30%) of such Class Members. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, the holders of a majority of the Voting Interests present in person or represented by written "Proxy" (as hereinafter defined) shall be required to decide the question. However, if the question is one which, by express provision of the Act or the Condominium Documents (provided the express provision of the Condominium Documents is in accordance with the requirements of the Act), requires a vote other than the majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.7. If a quorum is not in attendance at a meeting, the Members entitled to vote thereat who are present, either in person or by Proxy, may adjourn the meeting from time to time until a quorum is present with no further notice of such adjourned meeting being required unless otherwise determined by the Board. In the event any meeting is adjourned or postponed to be continued at another time because a quorum is not present at such meeting, then and in that event, the quorum requirements provided herein shall be reduced to the presence in person or by Proxy of twenty percent (20%) of the Voting Interests of the Members or Class Members, as the case may be, at the adjourned meeting. Actions approved by a majority of the Voting Interests of Members or Class Members, as the case may be, present in person or by Proxy at such adjourned meeting at which such reduced quorum exists shall be binding upon all Members or Class Members, as the case may be, and for all purposes except where otherwise provided by law, in any Declaration of a Sheridan Beach Club Condominium, in the Articles, or in these Bylaws. This reduction of the quorum requirements shall apply only if the Board sends notice of the adjourned or postponed meeting to the Members or Class Members as elsewhere provided, which notice must specifically provide that quorum requirements will be reduced at the adjourned or postponed meeting.

3.8. At any Annual Members' Meeting at which elections of Directors are to occur, Directors shall be elected by written ballot or voting machine. In no event shall Proxies be used in electing the Board, either in general elections or elections to fill vacancies caused by resignation, recall, or otherwise, unless otherwise provided in the Act. The procedures for the nomination of candidates and voting in elections shall be as provided in Section 718.112(2)(d)(3) of the Act.

3.9. A quorum is not required for an election to occur, provided, however, at least twenty percent (20%) of the eligible Voting Interests of the Members or Class Members, as the case may be, must cast a ballot in order to have a valid election of Directors. In the case of the meeting being



adjourned, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

3.10. Minutes of all meetings shall be kept in a businesslike manner and available for inspection by the Members and Directors at all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes report.

3.11. If, as and when any additional Sheridan Beach Club Condominium(s), other than Sheridan Beach Club Condominium Number Two, are created and subjected to the administration of this Association, Class Members shall be created for Dwelling Unit Owners in each additional Condominium. All classes of Members shall vote in the manner stated in Article IV of the Articles. Voting rights of Members shall be as stated in each Declaration of a Sheridan Beach Club Condominium and the Articles. Such votes may be cast in person or by Proxy. "Proxy" is defined to mean an instrument in writing, signed by a Member, appointing a person to whom the Member delegates the Member's right to cast a vote or votes in the Member's place and stead. Proxies shall be valid only for the particular meeting designated therein and any lawful adjournments thereof; provided, however, that no Proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given, provided this express provision is not inconsistent with the requirements of the Act, in which case the Act shall govern and control. Each Proxy shall contain the date, time and place of the meeting for which the Proxy is given. A limited Proxy shall set forth those items on which the holder of the Proxy may vote and the manner in which the vote is cast. Members may vote by general Proxy or by limited Proxy. Limited Proxies and general Proxies may be used to establish a quorum. Limited Proxies and general Proxies may also be used for voting on the matters outlined in Section 718.112(2)(b)2 of the Act. To the extent permitted by law, a Proxy, limited or general, may be used in the election of the Board. A Proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any Proxy may be revoked prior to the time a vote is cast by virtue of such Proxy.

3.12. Upon demand of any Member at any time prior to a vote upon any matter at a meeting of the Members, or any Class Members, any Member (or Class Member, as applicable) may demand voting on such matter shall be by secret ballot. The chairman of the meeting shall call for nominations for inspectors of election to collect and tally written ballots upon the completion of balloting upon the subject matter.

3.13. Members shall have the right to participate in meetings with reference to all designated agenda items in accordance with the rules and regulations of the Association. In addition, any Member may tape record or videotape a meeting in accordance with said rules and regulations.

#### Section 4. Board of Directors; Directors' Meetings

4.1. The form of administration of the Association shall be by a Board of not less than three (3) Directors. At each Annual Members' Meeting held subsequent to the year in which the Developer's Resignation Event occurs, the number of Directors (which must be an odd number) shall be determined by the Board from time to time. Except for Developer-appointed Directors, Directors must be Members of the Association or the spouses, parents or children of Members.

4.2. The provisions of the Articles setting forth the selection, designation, election and removal of Directors, including, but not limited to, the division of the Board into Class Directors, are hereby incorporated herein by reference. Voting for Directors, if applicable, shall be noncumulative (there shall be appurtenant to each Dwelling Unit as many votes for Directors as there are Directors for the Class to be elected, together with as many votes for Directors as there are Directors-at-Large to be elected; provided, however, no Member may cast more than one (1) vote for each Dwelling Unit owned by him or her for any one (1) person nominated as a Class Director or Director-at-Large). Directors elected by the Members in accordance with Article IX of the Articles shall be elected by a plurality of votes cast by the Members present in person or by Proxy and entitled to vote at a properly held Annual Members' Meeting or Special meeting of the Members.

4.3. Subject to Section 4.5 below and the rights of Developer as set forth in the Articles and in Section 4.5 (b) below, vacancies on the Board shall be filled by person(s) elected by the affirmative vote of a majority of the remaining Directors (or by the remaining Class Directors in which the vacancy occurs, if applicable). Such person shall be a Director and have all the rights, privileges, duties and obligations as a Director elected at the Annual Members' Meeting. A Director elected by the Board to fill a vacancy shall hold office only until the next election of Directors by the Members.

4.4. The term of each Director's service, except as provided in Section 4.3 of these Bylaws, shall extend until the next Annual Members' Meeting and thereafter, until his or her successor is duly elected and qualified or until he or she is removed in the manner elsewhere provided herein.

4.5. (a) A Director elected by the Purchaser Members, as provided in the Articles, may be removed from office with or without cause upon the affirmative vote or the agreement in writing of the Purchaser Members acting on behalf of a majority of Voting Interests held by Purchaser Members at a Special meeting of the Purchaser Members. A Director elected by Class Members, as provided in the Articles, may be removed from office with or without cause upon the vote or the agreement in writing by a majority of such Class Members. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in Section 718.112(2)(j) of the Act, as it may be amended from time to time.

(b) A Director on the First Board or otherwise designated by Developer as provided in the Articles may be removed only by Developer in its sole discretion and without any need for a meeting or vote. Developer shall have the unqualified right to name successors to fill any vacancies occurring for any reason on the Board among Directors on the First Board or designated by it, and Developer shall notify the Board as to any such removal or vacancy and the name of the successor Director and of the commencement date for the term of such successor Director.

4.6. The organizational meeting of the newly elected Board shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. Notice of the organizational meeting shall be given in accordance with the provisions of Section 4.8 hereinbelow.

4.7. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of Directors. All meetings of the Board shall be conducted in the English language. Special meetings of the Board may be called at the discretion of the President or the Vice President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors. Participation in meetings of the Board by telephone or another form of electronic communication is permitted subject to the requirements of Section 718.112(2)(b)5 of the Act. The provisions of these Bylaws pertaining to meetings of the Board as a whole shall also be applicable to meetings of Class Directors.

4.8. Notice of the time, agenda and place of the organization, regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day specified for such meeting. Except in an emergency, notice of a Board meeting shall be posted conspicuously on the Condominium Property of each Sheridan Beach Club Condominium, as more specifically set forth in the rules and regulations, at least forty-eight (48) continuous hours in advance for the attention of Members. Notice of any meeting where regular Assessments against Members are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments. Notice of a meeting where non-emergency Special Assessments or amendments to rules regarding Dwelling Unit use will be considered shall be mailed, hand delivered or electronically transmitted to the Dwelling Unit Owners and posted conspicuously on the Condominium Property not less than fourteen (14) days prior to the meeting. In lieu of or in addition to the physical posting of notice of any meeting of the Board on the Condominium Property, the Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Association. However, if broadcast notice is used in lieu of a notice posted physically on the Condominium Property, the notice and agenda must be broadcast at least four (4) times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficiently continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Proof of such mailing shall be given by affidavit executed by the person providing the notice and filed among the official records of the Association. Any Director may waive notice of the meeting before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9. For matters to be considered by the Board as a whole, as set forth in Article IX, Paragraph M of the Articles, a quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically provided elsewhere herein or in any of the Condominium Documents. For matters to be considered by Class Directors, as set forth in Article IX, Paragraph M of the Articles, a quorum of the Board shall consist of a majority of the Directors of the affected Class Directors and such matters approved by a majority of the Class Directors present at a meeting at which a quorum is present shall constitute the official acts of the board, except as specifically provided elsewhere herein or in any of the Condominium Documents. A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he or

... action or abstains from voting in respect thereto because of an asserted  
... vote or abstention for each Director present shall be recorded in the minutes.  
... e Board there shall be less than a quorum present, the majority of those  
... ay adjourn the meeting from time to time until a quorum is present. At any  
... meeting any business which might have been transacted at the meeting as  
... may be transacted. In the case of the adjournment of a meeting, the notice  
... for the adjournment shall, subject to the Act, be as determined by the Board.

4.10. The presiding officer at Board meetings shall be the President. In the absence of the President, the Directors present shall designate any one of their number to preside.

4.11. Directors shall not receive any compensation for their services.

4.12. The Board shall have the power to appoint executive committees of the Board consisting of not less than two (2) Directors. Executive committees shall have and exercise such powers of the Board as may be delegated to such executive committees by the Board.

4.13. Meetings of the Board shall be open to all Members. Members shall have the right to participate in meetings with reference to all designated agenda items in accordance with the rules and regulations of the Association. In addition, any Member may tape record or videotape a meeting in accordance with said rules and regulations.

#### Section 5. Fining Procedure for Enforcement of the Condominium Documents; Fees

5.1. A nonexclusive optional procedure for Board enforcement of the Condominium Documents, including the rules and regulations, shall be as follows:

*Fining Committee* \*

##### 5.1.1. First Offense (1st Notice)

When the Association becomes aware of noncompliance with a rule or regulation by a Dwelling Unit Owner, family member, guest, invitee or lessee, it shall send a certified letter to the Dwelling Unit Owner advising him or her of the rule which he or she has been accused of violating and warning that strict compliance with the rules and regulations will be required. Each day on which a violation occurs shall be deemed to be a separate offense.

\* 

##### 5.1.2. Second Offense (2nd Notice)

If the Association receives a second report that a violation has been repeated or has been continued beyond the time specified within the first notice, the Board, after verifying the violation, may authorize a fine to be levied upon the Dwelling Unit Owner. The fine for a second offense may not exceed the maximum amount permitted by the Act. Notice of a second violation shall be sent to the Dwelling Unit Owner by certified mail, and shall contain notice to the Dwelling Unit Owner and, if applicable, its licensee or invitee, of the right to an opportunity for a hearing before a committee of other Dwelling Unit Owners. This notice shall further explain that, pursuant to Section 718.303(3) of the Act, a fine may be levied for this and future repeat offenses with this notice as the single notice and opportunity for hearing provided to the Dwelling Unit Owner.

5.1.3. Third Offense (3rd Notice)

If the Association receives a third report that a violation has been repeated or has continued beyond the time specified within the second notice, the Dwelling Unit Owner may be charged a fine in an amount not to exceed the maximum amount permitted by the Act, following verification of the violation by the Board.

5.1.4. Fourth Offense

For repeated offenses or in any case where the Board deems it appropriate, the Board may seek injunctive relief through court action. In addition, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed the amount set forth in Section 718.303(3) of the Act.

5.2. Exemptions and Hearings

(a) Any Dwelling Unit Owner may appear before the Association to seek an exemption from or variance in the applicability of any given rule or regulation as it relates to said person on grounds of undue hardship or other special circumstances.

(b) Where the Association levies fines, such fines shall be levied pursuant to the procedures set forth in the rules and regulations of the Association.

5.3. A Dwelling Unit Owner who fails to timely pay any Assessment shall be charged a late charge by the Association for such late Assessment in an amount not to exceed the maximum amount permitted by the Act. Dwelling Unit Owners shall be responsible to pay all legal fees (including but not limited to, attorney and paralegal fees and court costs) incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessment and foreclose the Association's lien has been commenced.

5.4. The existence of the Association's right to charge a late fee as herein provided shall not preclude nor limit its right to seek any other enforcement method or remedy provided: (i) pursuant to the Condominium Documents; (ii) at law; or (iii) in equity.

5.5. Written Inquiries by Dwelling Unit Owners

Written inquiries by Members to the Board shall be handled in accordance with Section 718.112(2)(a)2 of the Act, as it may be amended from time to time.

Section 6. Officers of the Association

6.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer, a Secretary and, if the Board so determines, an Assistant Secretary and an Assistant Treasurer, all of whom shall be elected annually by the Board. Any officer may be removed from office without cause by vote of the Directors at any meeting of the

Board. The Board shall, from time to time, elect and designate the powers and duties of such other officers and assistant officers as the Board shall find to be required to manage the affairs of the Association.

6.2. The President, who shall be a Director, shall be the chief executive officer of the Association. The President shall have all of the powers and duties which are usually vested in the office of the president of a condominium association including, but not limited to, the power to appoint committees from among the Members at such times as he or she may, in his or her discretion, determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board.

6.3. The Vice President(s) shall generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First," "Second," etc. and shall be called upon in such order to exercise the powers and perform the duties of the President if he or she is absent or incapacitated.

6.4. The Secretary shall cause the minutes of all meetings of the Board and of the Members to be kept, which minutes shall be recorded in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable times. The Secretary shall have custody of the seal of the Association and shall affix the same to instruments requiring a seal when duly signed. He or she shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall assist the Secretary and shall perform the duties of the Secretary when the Secretary is absent.

6.5. The Treasurer shall have custody of all the property of the Association, including funds, securities and evidences of indebtedness. He or she shall keep the assessment rolls and accounts of the Members; he or she shall keep the books of the Association in accordance with good accounting practices; and he or she shall perform all the duties incident to the office of Treasurer. The Assistant Treasurer, if any, shall assist the Treasurer and shall perform the duties of the Treasurer whenever the Treasurer is absent.

6.6. Officers shall not receive compensation for their services. The compensation, if any, of all other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director or an officer as an employee of the Association nor preclude the contracting with a Director or an officer for the management of all or any portion of Sheridan Beach Club.

## Section 7. Accounting Records; Fiscal Management.

### 7.1. Accounting Records

(a) The Association shall maintain the official records of the Association in accordance with Section 718.111(12) of the Act, which records shall be open to inspection by Members and owners of first mortgages on Dwelling Units or their authorized representatives at

reasonable times. The Association may charge Dwelling Unit Owners, owners of first mortgages on Dwelling Units or their authorized representative its actual costs for preparing and furnishing copies of the Condominium Documents including, but not limited to, the Condominium Declaration, Articles, Bylaws, rules and regulations, question and answer sheet and any amendment to the foregoing to those requesting same. Authorization of a representative of a Member must be in writing, signed by the Member giving the authorization and dated within ten (10) working days before the date of the inspection. The official records shall include accounting records for the Association and separate accounting records for each Condominium it operates, maintained according to good accounting practices, and such accounting records shall be maintained for a period of not less than seven (7) years. Accounting records so maintained by the Association shall include, but are not limited to: (i) accurate, itemized and detailed records of all receipts and expenditures; (ii) a current account; and a quarterly statement of the account for each Dwelling Unit or as reported at such interval as may be required by the Act as amended from time to time by the Florida Legislature, designating the name of the Dwelling Unit Owner, the due date and amount of each Assessment, the amount paid upon the account, and the balance due; (iii) all audits, reviews, accounting statements and financial reports of the Association; and (iv) all contracts for work to be performed, and such bids shall be considered official records and maintained for a period of one (1) year.

(b) Within ninety (90) days after the end of the fiscal year, a report of the actual receipts and expenditures of the Association for the previous twelve (12) months ("Report") shall be prepared annually by an accountant or Certified Public Accountant in accordance with Section 718.111(13) of the Act, provided, however, the requirement for audited financial statements may be waived pursuant to said Section of the Act. The Report shall be prepared consistent with the requirements of Rule 61B-22.006, F.A.C. and a copy of such report shall be furnished in accordance with the Act to each Member so requesting in writing. The Report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at the last known address shown on the books and records of the Association. The Report will include account classifications designated in the Act, if applicable, and accounts otherwise included at the Board's discretion.

## 7.2. Budget

(a) The Board shall adopt the budget for the Common Expenses of each Condominium comprising Sheridan Beach Club Condominiums and, if applicable, a schedule for Association Expenses ("Budget") for each forthcoming fiscal year ("Budget Year") at a special meeting of the Board ("Budget Meeting") called for that purpose in October or November prior to the applicable Budget Year. Prior to the Budget Meeting, a proposed Budget for each Condominium subject to the administration of the Association shall be prepared by or on behalf of the Board, which Budget(s) shall include, but not be limited to, the following items of expense applicable to each such Condominium:

- (i) Administration of the Association
- (ii) Utilities
- (iii) Management Fees
- (iv) Maintenance
- (v) Rent for recreational and other commonly used facilities

- (vi) Taxes upon Association Property
- (vii) Taxes upon leased areas
- (viii) Insurance
- (ix) Security provisions
- (x) Other expenses
- (xi) Operating capital
- (xii) Reserves for Capital Expenditures and Deferred Maintenance
- (xiv) Other expenses and costs
- (xiii) Fees payable to the Division of Florida Land Sales, Condominiums and Mobile Homes

(b) The Budget for the Condominium or any Condominium referred to above constitutes an estimate of the expenses to be incurred by the Association for and on behalf of the Condominium or each such Condominium, as the case may be. The procedure for the allocation of the expenses attributable to each such Condominium, which are the Common Expenses of each such Condominium, shall be as follows:

(i) Expenses of the Association which are applicable to more than one (1) Condominium (such as administrative expenses), if such be the case, which are the Association Expenses, shall be allocated by the Board amongst the several such Condominiums to which such expenses are applicable by multiplying the amount of such expenses by a fraction with respect to each Condominium, the numerator of which is the total square footage of Dwelling Units within the particular Condominium to which such expenses are being allocated and the denominator of which is the total square footage of all Dwelling Units in the various Condominiums to which such expenses are applicable, which amount as to each such Condominium shall be a Common Expense of that Condominium; provided, however, that if such method of allocation is inequitable due to the fact that a grossly disproportionate amount of such expenses are attributable to a particular Condominium, then the Board may allocate such expenses in a manner deemed by it to be fair and equitable.

(ii) Expenses of the Association which are applicable to one (1) Condominium (such as, but not limited to, utilities and maintenance for the Common Elements of a particular Condominium) shall be allocated by the Board as a Common Expense solely of such Condominium.

(iii) In the event only the Condominium is administered by the Association, all of the expenses of the Association shall be Common Expenses and there shall be no Association Expenses.

(iv) Any Common Expenses relative to the "Residential Limited Common Elements" or "Commercial Limited Common Elements," as such terms are defined in the Declaration, shall be payable only by the Residential Unit Owners or Commercial Unit Owners, as applicable.



(c) Common Expenses with respect to Association Property (i.e., property held in the name of the Association, not the Common Elements), if any, shall be assessed against all Dwelling Units in direct proportion to the percentage of ownership in the Common Elements and in the Common Surplus as set forth in the Declarations of all the Condominiums comprising Sheridan Beach Club Condominium(s), as they may exist from time to time, after the allocation between or among Condominiums is made by the Board pursuant to Section 7.2(b)(i) hereinabove.

(d) Unless waived by the Members, the Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Condominium Property of each Condominium. The Budget for the Condominium or each Condominium, as applicable, shall include, on an annual basis, the establishment of reserve accounts for capital expenditures and deferred maintenance of the Condominium Property. The reserve accounts shall include, but not be limited to, roof replacement, roadway resurfacing and building exterior repainting regardless of the amount of deferred maintenance expense or replacement cost, and for any other items for which the deferred maintenance expense or replacement cost exceeds Ten Thousand (\$10,000) Dollars. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. Notwithstanding any other provisions to the contrary contained herein, in the event that, by a majority vote of either Members or Class Members, as applicable, at a duly called meeting of the Association, less than a full reserve or no reserve for deferred maintenance and replacement is elected, then the applicable Budget shall be based on such lesser reserves or no reserves, as the case may be. Reserve funds and any interest accruing thereon shall remain in the reserve account(s), and be used only for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the applicable Voting Interests voting in person or by Limited Proxy at a duly called meeting of the Association.

(e) Copies of the applicable proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member or Class Member, as applicable, at the Member's last known address, as reflected on the books and records of the Association, not less than fourteen (14) days prior to said Budget Meeting, and the Budget Meeting shall be open to the Members. Failure to timely adopt a Budget for the Condominium or any Condominium, as applicable, shall not alter or abrogate the obligation to pay Common Expenses.

(f) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a *pro rata* basis any expenses which are prepaid in any one (1) calendar year for Common Expenses or Association Expenses which cover more than such calendar year; (iv) Assessments shall be made not less frequently than quarterly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current expenses and for all unpaid expenses previously incurred; and (v) expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year as such expenses are incurred.

in accordance with the cash basis method of accounting. The cash basis method of accounting shall substantially conform to generally accepted accounting standards and principles.

(g) No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses not included in a Budget or which shall exceed budgeted items, and no Board shall be required to engage in deficit spending. Should there exist any deficiency which results from expenses being greater than income from Assessments, then such deficits shall be carried into the applicable Budget for the next succeeding year as a deficiency or shall be the subject of a Special Assessment to be levied by the Board as otherwise provided in the applicable Declaration.

(h) The Board may also include in the proposed Budget a sum of money as an Assessment for the making of betterments to the Condominium Property and for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis. This sum of money so fixed may then be levied upon the Members by the Board as a Special Assessment and shall be considered an "Excluded Expense" under Section 7.3(a) hereof.

### 7.3. Adoption of Budget

Until the provisions of Section 718.112(2)(e) of the Act relative to the Members' approval of a Budget requiring Assessments against the Members in excess of one hundred fifteen percent (115%) of such Assessments against the Members in the preceding year are declared invalid by the courts, or until amended by the Florida Legislature, the following shall be applicable (however, if such amendment merely substitutes another amount for one hundred fifteen percent [115%], then such new amount shall be substituted for one hundred fifteen percent [115%] each time it is used in this Section 7.3):

(a) Should the Budget adopted by the Board at the Budget Meeting require Assessments against Members of an amount which is not greater than one hundred fifteen percent (115%) of such Assessments for the prior year, the Budget shall be deemed approved by all Members. If, however, the Assessments required to meet the Budget exceed one hundred fifteen percent (115%) of such Assessments against the members for the preceding year ("Excess Assessment"), then the provisions of Subsections 7.3(b) and (c) hereof shall be applicable. There shall be excluded in the computation of the Excess Assessment certain expenses ("Excluded Expenses") as follows:

- (1) Reserves for repair or replacement of any portion of the Condominium Property;
- (2) Expenses of the Association which are not anticipated to be incurred on a regular or annual basis; and
- (3) Expenses for betterments to the Condominium Property.

(b) Should the Excess Assessment be adopted by the Board, then upon delivery to the Board, within twenty (20) days after the Budget Meeting, of a written application requesting a special meeting signed by ten percent (10%) of the Voting Interests of the Dwelling Units, the Board shall call a special meeting to be held upon not less than fourteen (14) days' written notice to each Member, but to be held within sixty (60) days of the Budget Meeting. At said special meeting, the Members shall consider and enact a revised Budget ("Revised Budget"). The adoption of the revisions to the Revised Budget shall require approval of not less than a majority of the Voting Interests appurtenant to all Dwelling Units in the Condominium or each Condominium, as applicable. The Board may propose revisions to the Budget to the Members at a meeting of Members or in writing, and, if a Revised Budget is enacted at said special meeting, then the Revised Budget shall be incorporated into the final Budget. If no written application is delivered as provided herein and a quorum is not obtained or a substitute Revised Budget is not adopted by the Members, then the Budget originally adopted by the Board shall be the final Budget and shall go into effect as scheduled.

(c) Until the occurrence of the Majority Election Meeting, the Board shall not impose an Assessment pursuant to a Budget for the Condominium or any Condominium, as applicable, which is greater than one hundred fifteen percent (115%) of the prior fiscal year's Assessment without approval of a majority of the Voting Interests of Members to be so assessed.

(d) If, as and when any additional Condominium(s) are created pursuant to the Act, other than the Condominium, and made subject to administration by the Association, then the Budget shall allocate Assessments for Common Expenses to each such Condominium. In each case in which the Assessments for Common Expenses for the affected Condominium (less expenses for matters similar to those matters set forth in Paragraphs 7.3[a][1], 7.3[a][2] and 7.3[a][3] above) exceed one hundred fifteen percent (115%) of such Assessments for the prior year, the affected Class Members shall have the right to revise the Budget as same applies to them in the same manner as set forth in Paragraph 7.3(b) above.

#### 7.4. Allocation of Common Expenses

(a) The portion of the expenses to be allocated to the operation and management of the Condominium or each Condominium (including each Condominium's proportionate share of the Association Expenses), as applicable, shall be set forth in the Budget and shall constitute the Common Expenses of such Condominium. The Common Expenses shall be apportioned to each Dwelling Unit Owner based upon his or her share of Common Expenses, as provided in the Declaration or the Declaration of each Condominium.

(b) Notwithstanding the allocation to each Dwelling Unit of its share of Common Expenses, a Dwelling Unit Owner shall also be liable for any Special Assessments levied by the Board against his Dwelling Unit as provided in the Condominium Documents. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Dwelling Unit Owners; provided, however, that upon completion of such specific purpose or purposes any excess funds shall be considered Common Surplus. The Association shall collect Assessments and Special Assessments for Common Expenses from a

Dwelling Unit Owner in the manner set forth in the Condominium Documents.


(c) To the extent that the Association at any time has either a Common Surplus or Common Expense in regard to the operation of the Condominium which cannot be attributed to one or more particular Condominium(s), then such Common Surplus or Common Expense shall be prorated equally based on the relative total square footage of Dwelling Units within each Condominium to the total square footage of Dwelling Units in all such Condominiums taken together and administrated by the Association and shall thereafter be deemed a Common Expense or Common Surplus of each Condominium as set forth in its Condominium Declaration.

(d) If, as and when any additional Condominium(s) are created pursuant to the Act and made subject to the Association, the expenses attributable to each such Condominium shall be allocated and apportioned to each Condominium in the manner set forth in Paragraphs 7.4(a), 7.4(b) and 7.4(c), above.

#### 7.5 Depository

The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. All funds shall be maintained separately in the Association's name, and reserve and operating funds of the Association shall not be commingled. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board. Notwithstanding the foregoing, the President and/or the Treasurer of the Association shall be authorized to sign checks on behalf of the Association, unless otherwise specified by the Board.

#### Section 8. Rules and Regulations



The Board may adopt rules and regulations or amend or rescind existing rules and regulations for the operation and use of the Condominium or Condominiums, as the case may be, at any meeting of the Board, provided such rules and regulations are not inconsistent with the Condominium Documents nor detrimental to sales of Dwelling Units by Developer or interfere with the rights granted in the Condominium Documents of any other Sheridan Beach Club Condominium. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed to all Dwelling Unit Owners at their last known addresses as shown on the books and records of the Association and shall not take effect until forty-eight (48) hours after such mailing.

#### Section 9. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of this Association when not in conflict with the Condominium Documents or the Act. In the event of a conflict, the provisions of the Condominium Documents and the Act shall govern.

Section 10. Amendments of the Bylaws

10.1. These Bylaws may be amended by the affirmative vote of not less than a majority of the votes of Members entitled to vote thereon, represented in person or by Proxy at a properly held Annual Members' Meeting or special meeting of the membership and the approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed amendment shall be sent to each Member along with notice of the Annual Members' Meeting or special meeting. An amendment may be approved at the same meeting of the Board and/or Members at which such amendment is proposed.

10.2. An amendment may be proposed by either the Board or by the Members, and after being proposed and approved by one of such bodies, must be approved by the other as set forth above in order to become enacted as an amendment.

10.3. No modification or amendment to these Bylaws shall be adopted which would affect or impair the priority of any holder, insurer or guarantor of a first mortgage on any Dwelling Unit in the Condominium or any Dwelling Unit in any other Sheridan Beach Club Condominium administered by this Association, the validity of such mortgage or any of the rights of Developer.

Section 11. Fidelity Bonding

The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association in accordance with Section 718.111(11)(d) of the Act.

Section 12. Condemnation of Common Elements

The Association has a limited power to convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.

Section 13. Certificate of Compliance

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board as evidence of the Dwelling Units compliance with the applicable fire and life safety code.

SHERIDAN BEACH CLUB CONDOMINIUM  
ASSOCIATION NUMBER TWO, INC.

By: \_\_\_\_\_  
Kevin M. Guthard, President

Attest: \_\_\_\_\_  
Carlos Fernandez, Secretary

(SEAL)



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11

ESTIMATED OPERATING BUDGET

**SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC.  
ESTIMATED EXPENSES FOR THE ASSOCIATION AND CONDOMINIUM -**

**Phase II**

January 1, 2004 to December 31, 2004

|   | Annual              | Monthly            |
|---|---------------------|--------------------|
| Operating Expenses:                                       |                     |                    |
| Administration of the association                         | \$ 290.00           | \$ 24.17           |
| Fees payable to the division of condominiums              | 116.00              | 9.67               |
| Management Fees   | 3,480.00            | 290.00             |
| Maintenance - Elevator                                    | 1,800.00            | 150.00             |
| Maintenance - Pool  |                     | 0.00               |
| Maintenance - Entrance Gates                              | 1,500.00            | 125.00             |
| Maintenance - Grounds                                     | 3,190.00            | 265.83             |
| Maintenance - Entrance Easement                           | 600.00              | 50.00              |
| Rent for recreational & other commonly used facilities    | 0.00                | 0.00               |
| Taxes upon association property                           | 0.00                | 0.00               |
| Taxes upon leased property                                | 0.00                | 0.00               |
| Security provisions                                       | 0.00                | 0.00               |
| Other expenses - Licenses                                 | 0.00                | 0.00               |
| Other Expenses - Janitorial services                      | 3,190.00            | 265.83             |
| Other Expenses - Electricity                              | 1,595.00            | 132.92             |
| Other Expenses - Trash removal                            | 3,161.00            | 263.42             |
| Other Expenses - Water & Sewer                            | 7,105.00            | 592.08             |
| Other Expenses - Water Pool & Irrigation                  | 500.00              | 41.67              |
| Operating Capital   | 0.00                | 0.00               |
| <b>Total Operating Expenses</b>                           | <b>\$ 26,527.00</b> | <b>\$ 2,210.58</b> |
| Reserves for Capital Expenditures & Deferred Maintenance: |                     |                    |
| Reserve - Insurance                                       | \$ 16,472.00        | \$ 1,372.67        |
| Reserve - Building Painting                               | 1,305.00            | 108.75             |
| Reserve - Parking Pavement Resurfacing                    | 261.00              | 21.75              |
| Reserve - Entrance Easement Pavement Resurfacing          | 100.00              | 8.33               |
| Reserve - Pool Marsite & Equipment                        | 0.00                | 0.00               |
| Reserve - Roof Replacement                                | 2,500.00            | 208.33             |
| Reserve for Mitigation Site Maintenance & Taxes           | 1,000.00            | 83.33              |
| <b>Total Reserves</b>                                     | <b>\$ 21,638.00</b> | <b>\$ 1,803.17</b> |
| <b>Total Estimated Expenses for Phase II</b>              | <b>\$ 48,165.00</b> | <b>\$ 4,013.75</b> |



**SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC.  
RESERVES FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE -**

**Phase II**

January 1, 2004 to December 31, 2004

| <b>Component</b>                       | <b>Estimated Useful Life</b> | <b>Estimated Remaining Life</b> | <b>Estimated Cost to Replace</b> | <b>Annual Funding Amount</b> |
|--|------------------------------|---------------------------------|----------------------------------|------------------------------|
| Insurance                              | 1 year                       | 1 year                          | \$ 16,472.00                     | \$ 16,472.00                 |
| Building Painting                      | 6 years                      | 6 years                         | \$ 7,830.00                      | \$ 1,305.00                  |
| Parking Pavement Resurfacing           | 10 years                     | 10 years                        | \$ 2,610.00                      | \$ 261.00                    |
| Entrance Easement Pavement Resurfacing | 10 years                     | 10 years                        | \$ 1,000.00                      | \$ 100.00                    |
| Pool Marnite & Equipment               | N/A                          | N/A                             | N/A                              | \$ -                         |
| Roof Replacement                       | 15 years                     | 15 years                        | \$ 37,500.00                     | \$ 2,500.00                  |
| Mitigation Site Maintenance & Taxes    | 1 year                       | 1 year                          | \$ 1,000.00                      | \$ 1,000.00                  |
|  |                              | <b>TOTALS</b>                   | <b>\$ 66,412.00</b>              | <b>\$ 21,638.00</b>          |

**SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC.  
ESTIMATED EXPENSES FOR THE ASSOCIATION & CONDOMINIUM -**

**Phase II**

January 1, 2004 to December 31, 2004

| Unit No.     | Percentage       | Operating Expenses Annually | Operating Expenses Monthly | Reserves Annually   | Reserves Monthly   | TOTAL Annually      | TOTAL Monthly      |
|--------------|------------------|-----------------------------|----------------------------|---------------------|--------------------|---------------------|--------------------|
| 1012         | 3.21980%         | \$ 854.12                   | \$ 71.18                   | \$ 696.70           | \$ 58.06           | \$ 1,550.82         | \$ 129.23          |
| 1022         | 3.37560%         | \$ 895.45                   | \$ 74.62                   | \$ 730.41           | \$ 60.87           | \$ 1,625.86         | \$ 135.49          |
| 1032         | 3.21980%         | \$ 854.12                   | \$ 71.18                   | \$ 696.70           | \$ 58.06           | \$ 1,550.82         | \$ 129.23          |
| 1042         | 3.29580%         | \$ 874.28                   | \$ 72.86                   | \$ 713.15           | \$ 59.43           | \$ 1,587.42         | \$ 132.29          |
| 1052         | 3.21980%         | \$ 854.12                   | \$ 71.18                   | \$ 696.70           | \$ 58.06           | \$ 1,550.82         | \$ 129.23          |
| 1062         | 3.29580%         | \$ 874.28                   | \$ 72.86                   | \$ 713.15           | \$ 59.43           | \$ 1,587.42         | \$ 132.29          |
| 1072         | 3.21980%         | \$ 854.12                   | \$ 71.18                   | \$ 696.70           | \$ 58.06           | \$ 1,550.82         | \$ 129.23          |
| 1082         | 3.37560%         | \$ 895.45                   | \$ 74.62                   | \$ 730.41           | \$ 60.87           | \$ 1,625.86         | \$ 135.49          |
| 2012         | 3.31260%         | \$ 878.73                   | \$ 73.23                   | \$ 716.78           | \$ 59.73           | \$ 1,595.51         | \$ 132.96          |
| 2022         | 3.37560%         | \$ 895.45                   | \$ 74.62                   | \$ 730.41           | \$ 60.87           | \$ 1,625.86         | \$ 135.49          |
| 2032         | 3.36880%         | \$ 893.64                   | \$ 74.47                   | \$ 728.94           | \$ 60.75           | \$ 1,622.58         | \$ 135.22          |
| 2042         | 3.29580%         | \$ 874.28                   | \$ 72.86                   | \$ 713.15           | \$ 59.43           | \$ 1,587.42         | \$ 132.29          |
| 2052         | 3.36880%         | \$ 893.64                   | \$ 74.47                   | \$ 728.94           | \$ 60.75           | \$ 1,622.58         | \$ 135.22          |
| 2062         | 3.29580%         | \$ 874.28                   | \$ 72.86                   | \$ 713.15           | \$ 59.43           | \$ 1,587.42         | \$ 132.29          |
| 2072         | 3.31260%         | \$ 878.73                   | \$ 73.23                   | \$ 716.78           | \$ 59.73           | \$ 1,595.51         | \$ 132.96          |
| 2082         | 3.37560%         | \$ 895.45                   | \$ 74.62                   | \$ 730.41           | \$ 60.87           | \$ 1,625.86         | \$ 135.49          |
| 3012         | 3.31260%         | \$ 878.73                   | \$ 73.23                   | \$ 716.78           | \$ 59.73           | \$ 1,595.51         | \$ 132.96          |
| 3022         | 3.37540%         | \$ 895.39                   | \$ 74.62                   | \$ 730.37           | \$ 60.86           | \$ 1,625.76         | \$ 135.48          |
| 3032         | 3.36880%         | \$ 893.64                   | \$ 74.47                   | \$ 728.94           | \$ 60.75           | \$ 1,622.58         | \$ 135.22          |
| 3042         | 3.29580%         | \$ 874.28                   | \$ 72.86                   | \$ 713.15           | \$ 59.43           | \$ 1,587.42         | \$ 132.29          |
| 3052         | 3.36880%         | \$ 893.64                   | \$ 74.47                   | \$ 728.94           | \$ 60.75           | \$ 1,622.58         | \$ 135.22          |
| 3062         | 3.29580%         | \$ 874.28                   | \$ 72.86                   | \$ 713.15           | \$ 59.43           | \$ 1,587.42         | \$ 132.29          |
| 3072         | 3.31260%         | \$ 878.73                   | \$ 73.23                   | \$ 716.78           | \$ 59.73           | \$ 1,595.51         | \$ 132.96          |
| 3082         | 3.37560%         | \$ 895.45                   | \$ 74.62                   | \$ 730.41           | \$ 60.87           | \$ 1,625.86         | \$ 135.49          |
| 4032         | 4.54520%         | \$ 1,205.71                 | \$ 100.48                  | \$ 983.49           | \$ 81.96           | \$ 2,189.20         | \$ 182.43          |
| 4042         | 3.61610%         | \$ 959.24                   | \$ 79.94                   | \$ 782.45           | \$ 65.20           | \$ 1,741.69         | \$ 145.14          |
| 4052         | 4.54520%         | \$ 1,205.71                 | \$ 100.48                  | \$ 983.49           | \$ 81.96           | \$ 2,189.20         | \$ 182.43          |
| 4062         | 4.04440%         | \$ 1,072.86                 | \$ 89.40                   | \$ 875.13           | \$ 72.93           | \$ 1,947.99         | \$ 162.33          |
| 4082         | 3.61610%         | \$ 959.24                   | \$ 79.94                   | \$ 782.45           | \$ 65.20           | \$ 1,741.69         | \$ 145.14          |
| <b>TOTAL</b> | <b>100.0000%</b> | <b>\$ 26,527.00</b>         | <b>\$ 2,210.58</b>         | <b>\$ 21,638.00</b> | <b>\$ 1,803.17</b> | <b>\$ 48,165.00</b> | <b>\$ 4,013.75</b> |

**SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC.**  
**ESTIMATED EXPENSES FOR THE ASSOCIATION AND CONDOMINIUM -**

Phases I, II and III

January 1, 2004 to December 31, 2004

|  | Annual              | Monthly            |
|--|---------------------|--------------------|
| <b>Operating Expenses:</b>   |                     |                    |
| Administration of the association                                    | \$ 580.00           | \$ 48.33           |
| Fees payable to the division of condominiums                         | 232.00              | 19.33              |
| Management Fees  | 6,960.00            | 580.00             |
| Maintenance - Elevator   | 3,600.00            | 300.00             |
| Maintenance - Pool   | 4,000.00            | 333.33             |
| Maintenance - Entrance Gates   | 1,500.00            | 125.00             |
| Maintenance - Grounds  | 6,380.00            | 531.67             |
| Maintenance - Entrance Easement                                      | 600.00              | 50.00              |
| Rent for recreational & other commonly used facilities               | 0.00                | 0.00               |
| Taxes upon association property                                      | 0.00                | 0.00               |
| Taxes upon leased property   | 0.00                | 0.00               |
| Security provisions  | 0.00                | 0.00               |
| Other expenses - Licenses  | 0.00                | 0.00               |
| Other Expenses - Janitorial services                                 | 6,740.00            | 561.67             |
| Other Expenses - Electricity   | 3,790.00            | 315.83             |
| Other Expenses - Trash removal                                       | 6,322.00            | 526.83             |
| Other Expenses - Water & Sewer                                       | 14,210.00           | 1,184.17           |
| Other Expenses - Water Pool & Irrigation                             | 2,200.00            | 183.33             |
| Operating Capital  | 0.00                | 0.00               |
| <b>Total Operating Expenses</b>                                      | <b>\$ 57,114.00</b> | <b>\$ 4,759.50</b> |
| <b>Reserves for Capital Expenditures &amp; Deferred Maintenance:</b> |                     |                    |
| Reserve - Insurance  | \$ 32,944.00        | \$ 2,745.33        |
| Reserve - Building Painting  | 2,610.00            | 217.50             |
| Reserve - Parking Pavement Resurfacing                               | 522.00              | 43.50              |
| Reserve - Entrance Easement Pavement Resurfacing                     | 100.00              | 8.33               |
| Reserve - Pool Marsite & Equipment                                   | 600.00              | 50.00              |
| Reserve - Roof Replacement   | 5,000.00            | 416.67             |
| Reserve for Mitigation Site Maintenance & Taxes                      | 1,000.00            | 83.33              |
| <b>Total Reserves</b>  | <b>\$ 42,776.00</b> | <b>\$ 3,564.67</b> |
| <b>Total Estimated Expenses for the Association and Condominium</b>  | <b>\$ 99,890.00</b> | <b>\$ 8,324.17</b> |

**SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC.  
RESERVES FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE -**

**Phases I, II and III  
January 1, 2004 to December 31, 2004**

| Component                              | Estimated<br>Useful<br>Life | Estimated<br>Remaining<br>Life | Estimated<br>Cost to<br>Replace | Annual<br>Funding<br>Amount |
|--|-----------------------------|--------------------------------|---------------------------------|-----------------------------|
| Insurance                              | 1 year                      | 1 year                         | \$ 32,944.00                    | \$ 32,944.00                |
| Building Painting                      | 6 years                     | 6 years                        | \$ 15,660.00                    | \$ 2,610.00                 |
| Parking Pavement Resurfacing           | 10 years                    | 10 years                       | \$ 5,220.00                     | \$ 522.00                   |
| Entrance Easement Pavement Resurfacing | 10 years                    | 10 years                       | \$ 1,000.00                     | \$ 100.00                   |
| Pool Marsite & Equipment               | 6 years                     | 6 years                        | \$ 3,600.00                     | \$ 600.00                   |
| Roof Replacement                       | 15 years                    | 15 years                       | \$ 75,000.00                    | \$ 5,000.00                 |
| Mitigation Site Maintenance & Taxes    | 1 year                      | 1 year                         | \$ 1,000.00                     | \$ 1,000.00                 |
|  |                             | <b>TOTALS</b>                  | <b>\$ 134,424.00</b>            | <b>\$ 42,776.00</b>         |

SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC.  
ESTIMATED EXPENSES FOR THE ASSOCIATION & CONDOMINIUM -

Phases I, II and III

January 1, 2004 to December 31, 2004

| Unit No. | Percentage | Operating Expenses Annually | Operating Expenses Monthly | Reserves Annually | Reserves Monthly | TOTAL Annually | TOTAL Monthly |
|----------|------------|-----------------------------|----------------------------|-------------------|------------------|----------------|---------------|
| 1011     | 1.60990%   | \$ 919.48                   | \$ 76.62                   | \$ 688.65         | \$ 57.39         | \$ 1,608.13    | \$ 134.01     |
| 1021     | 1.68780%   | \$ 963.97                   | \$ 80.33                   | \$ 721.97         | \$ 60.16         | \$ 1,685.94    | \$ 140.50     |
| 1031     | 1.60990%   | \$ 919.48                   | \$ 76.62                   | \$ 688.65         | \$ 57.39         | \$ 1,608.13    | \$ 134.01     |
| 1041     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 1051     | 1.60990%   | \$ 919.48                   | \$ 76.62                   | \$ 688.65         | \$ 57.39         | \$ 1,608.13    | \$ 134.01     |
| 1061     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 1071     | 1.60990%   | \$ 919.48                   | \$ 76.62                   | \$ 688.65         | \$ 57.39         | \$ 1,608.13    | \$ 134.01     |
| 1081     | 1.68780%   | \$ 963.97                   | \$ 80.33                   | \$ 721.97         | \$ 60.16         | \$ 1,685.94    | \$ 140.50     |
| 2011     | 1.65630%   | \$ 945.98                   | \$ 78.83                   | \$ 708.50         | \$ 59.04         | \$ 1,654.48    | \$ 137.87     |
| 2021     | 1.68780%   | \$ 963.97                   | \$ 80.33                   | \$ 721.97         | \$ 60.16         | \$ 1,685.94    | \$ 140.50     |
| 2031     | 1.68440%   | \$ 962.03                   | \$ 80.17                   | \$ 720.52         | \$ 60.04         | \$ 1,682.55    | \$ 140.21     |
| 2041     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 2051     | 1.68440%   | \$ 962.03                   | \$ 80.17                   | \$ 720.52         | \$ 60.04         | \$ 1,682.55    | \$ 140.21     |
| 2061     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 2071     | 1.65630%   | \$ 945.98                   | \$ 78.83                   | \$ 708.50         | \$ 59.04         | \$ 1,654.48    | \$ 137.87     |
| 2081     | 1.68780%   | \$ 963.97                   | \$ 80.33                   | \$ 721.97         | \$ 60.16         | \$ 1,685.94    | \$ 140.50     |
| 3011     | 1.65630%   | \$ 945.98                   | \$ 78.83                   | \$ 708.50         | \$ 59.04         | \$ 1,654.48    | \$ 137.87     |
| 3021     | 1.68770%   | \$ 963.91                   | \$ 80.33                   | \$ 721.93         | \$ 60.16         | \$ 1,685.84    | \$ 140.49     |
| 3031     | 1.68440%   | \$ 962.03                   | \$ 80.17                   | \$ 720.52         | \$ 60.04         | \$ 1,682.55    | \$ 140.21     |
| 3041     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 3051     | 1.68440%   | \$ 962.03                   | \$ 80.17                   | \$ 720.52         | \$ 60.04         | \$ 1,682.55    | \$ 140.21     |
| 3061     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 3071     | 1.65630%   | \$ 945.98                   | \$ 78.83                   | \$ 708.50         | \$ 59.04         | \$ 1,654.48    | \$ 137.87     |
| 3081     | 1.68780%   | \$ 963.97                   | \$ 80.33                   | \$ 721.97         | \$ 60.16         | \$ 1,685.94    | \$ 140.50     |
| 4031     | 2.27260%   | \$ 1,297.97                 | \$ 108.16                  | \$ 972.13         | \$ 81.01         | \$ 2,270.10    | \$ 189.18     |
| 4041     | 1.80805%   | \$ 1,032.65                 | \$ 86.05                   | \$ 773.41         | \$ 64.45         | \$ 1,806.06    | \$ 150.51     |
| 4051     | 2.27260%   | \$ 1,297.97                 | \$ 108.16                  | \$ 972.13         | \$ 81.01         | \$ 2,270.10    | \$ 189.18     |
| 4061     | 2.02220%   | \$ 1,154.96                 | \$ 96.25                   | \$ 865.02         | \$ 72.08         | \$ 2,019.98    | \$ 168.33     |
| 4081     | 1.80805%   | \$ 1,032.65                 | \$ 86.05                   | \$ 773.41         | \$ 64.45         | \$ 1,806.06    | \$ 150.51     |
| 1012     | 1.60990%   | \$ 919.48                   | \$ 76.62                   | \$ 688.65         | \$ 57.39         | \$ 1,608.13    | \$ 134.01     |
| 1022     | 1.68780%   | \$ 963.97                   | \$ 80.33                   | \$ 721.97         | \$ 60.16         | \$ 1,685.94    | \$ 140.50     |
| 1032     | 1.60990%   | \$ 919.48                   | \$ 76.62                   | \$ 688.65         | \$ 57.39         | \$ 1,608.13    | \$ 134.01     |
| 1042     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 1052     | 1.60990%   | \$ 919.48                   | \$ 76.62                   | \$ 688.65         | \$ 57.39         | \$ 1,608.13    | \$ 134.01     |
| 1062     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 1072     | 1.60990%   | \$ 919.48                   | \$ 76.62                   | \$ 688.65         | \$ 57.39         | \$ 1,608.13    | \$ 134.01     |
| 1082     | 1.68780%   | \$ 963.97                   | \$ 80.33                   | \$ 721.97         | \$ 60.16         | \$ 1,685.94    | \$ 140.50     |
| 2012     | 1.65630%   | \$ 945.98                   | \$ 78.83                   | \$ 708.50         | \$ 59.04         | \$ 1,654.48    | \$ 137.87     |
| 2022     | 1.68780%   | \$ 963.97                   | \$ 80.33                   | \$ 721.97         | \$ 60.16         | \$ 1,685.94    | \$ 140.50     |
| 2032     | 1.68440%   | \$ 962.03                   | \$ 80.17                   | \$ 720.52         | \$ 60.04         | \$ 1,682.55    | \$ 140.21     |
| 2042     | 1.64790%   | \$ 941.18                   | \$ 78.43                   | \$ 704.91         | \$ 58.74         | \$ 1,646.09    | \$ 137.17     |
| 2052     | 1.68440%   | \$ 962.03                   | \$ 80.17                   | \$ 720.52         | \$ 60.04         | \$ 1,682.55    | \$ 140.21     |

**SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO, INC.  
ESTIMATED EXPENSES FOR THE ASSOCIATION & CONDOMINIUM -**

**Phases I, II and III**

**January 1, 2004 to December 31, 2004**

| <b>Unit No.</b> | <b>Percentage</b> | <b>Operating Expenses Annually</b> | <b>Operating Expenses Monthly</b> | <b>Reserves Annually</b> | <b>Reserves Monthly</b> | <b>TOTAL Annually</b> | <b>TOTAL Monthly</b> |
|-----------------|-------------------|------------------------------------|-----------------------------------|--------------------------|-------------------------|-----------------------|----------------------|
| 2062            | 1.64790%          | \$ 941.18                          | \$ 78.43                          | \$ 704.91                | \$ 58.74                | \$ 1,646.09           | \$ 137.17            |
| 2072            | 1.65630%          | \$ 945.98                          | \$ 78.83                          | \$ 708.50                | \$ 59.04                | \$ 1,654.48           | \$ 137.87            |
| 2082            | 1.68780%          | \$ 963.97                          | \$ 80.33                          | \$ 721.97                | \$ 60.16                | \$ 1,685.94           | \$ 140.50            |
| 3012            | 1.65630%          | \$ 945.98                          | \$ 78.83                          | \$ 708.50                | \$ 59.04                | \$ 1,654.48           | \$ 137.87            |
| 3022            | 1.65770%          | \$ 963.91                          | \$ 80.33                          | \$ 721.93                | \$ 60.16                | \$ 1,685.84           | \$ 140.49            |
| 3032            | 1.68440%          | \$ 962.03                          | \$ 80.17                          | \$ 720.52                | \$ 60.04                | \$ 1,682.55           | \$ 140.21            |
| 3042            | 1.64790%          | \$ 941.18                          | \$ 78.43                          | \$ 704.91                | \$ 58.74                | \$ 1,646.09           | \$ 137.17            |
| 3052            | 1.68440%          | \$ 962.03                          | \$ 80.17                          | \$ 720.52                | \$ 60.04                | \$ 1,682.55           | \$ 140.21            |
| 3062            | 1.64790%          | \$ 941.18                          | \$ 78.43                          | \$ 704.91                | \$ 58.74                | \$ 1,646.09           | \$ 137.17            |
| 3072            | 1.65630%          | \$ 945.98                          | \$ 78.83                          | \$ 708.50                | \$ 59.04                | \$ 1,654.48           | \$ 137.87            |
| 3082            | 1.68780%          | \$ 963.97                          | \$ 80.33                          | \$ 721.97                | \$ 60.16                | \$ 1,685.94           | \$ 140.50            |
| 4032            | 2.27260%          | \$ 1,297.97                        | \$ 108.16                         | \$ 972.13                | \$ 81.01                | \$ 2,270.10           | \$ 189.18            |
| 4042            | 1.80805%          | \$ 1,032.65                        | \$ 86.05                          | \$ 773.41                | \$ 64.45                | \$ 1,806.06           | \$ 150.51            |
| 4052            | 2.27260%          | \$ 1,297.97                        | \$ 108.16                         | \$ 972.13                | \$ 81.01                | \$ 2,270.10           | \$ 189.18            |
| 4062            | 2.02220%          | \$ 1,154.96                        | \$ 96.25                          | \$ 865.02                | \$ 72.08                | \$ 2,019.98           | \$ 168.33            |
| 4082            | 1.80805%          | \$ 1,032.65                        | \$ 86.05                          | \$ 773.41                | \$ 64.45                | \$ 1,806.06           | \$ 150.51            |
| <b>TOTAL</b>    | <b>100.0000%</b>  | <b>\$ 57,114.00</b>                | <b>\$ 4,759.50</b>                | <b>\$ 42,776.00</b>      | <b>\$ 3,564.67</b>      | <b>\$ 99,890.00</b>   | <b>\$ 8,324.17</b>   |

Sheridan Beach Club Condominium Association Number Two, Inc.

NOTES TO THE BUDGET  
FOR THE YEAR

BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004

- NOTE 1 The terms used in these Notes to the Budget appear in initial capital letters each time they appear herein and are defined terms in the documents regarding Sheridan Beach Club Condominium Number Two. Thus, the term "Declaration" means the Declaration of Condominium of Sheridan Beach Club Condominium Number Two (the "Condominium"); the form of which is Exhibit 1 to the Offering Circular; the term "Association" means Sheridan Beach Club Condominium Association Number Two, Inc. and the terms "Articles" and "Bylaws" mean the Articles of Incorporation and Bylaws of the Association, respectively. The terms and definitions used in the foregoing documents are used in these Notes and the Budget schedules.
- NOTE 2 The Association is the entity that is responsible for operating the Condominium pursuant to the Declaration. The Budget of the Association reflects the estimate of expenses and revenues from Assessments to fulfill this function.
- NOTE 3 The Budget sets forth the Common Expenses and Reserves applicable to the Condominium Property (including, but not limited to: [i] the costs of operation, maintenance, repair or replacement of the Common Elements; [ii] costs of carrying out the powers and duties of the Association; and [iii] the cost of extended coverage insurance) upon completion of the number of Phases indicated in the headings of the Budget schedules. The Condominium is being developed as a "phase condominium" as contemplated by the Act and as more fully described in the Declaration. If both Phases are submitted to condominium ownership, there will be a total of two (2) Buildings containing fifty-eight (58) Dwelling Units, as well as a pool area. The Common Expenses are allocated to each Dwelling Unit according to the share of each Dwelling Unit in the Common Expenses, as shown on Exhibit E attached to the Declaration, as such shares shall vary from time to time pursuant to the number of Dwelling Units contained in the aggregate of the Phase(s) submitted to condominium ownership as a portion of the Condominium at such time.
- NOTE 4 The Phase II schedule of the Budget sets forth the Common Expenses, Reserves and Assessments applicable to the Condominium upon the completion of Phase II (the Initial Phase). The Phases I, II & III schedule of the Budget sets forth the Common Expenses, Reserves and Assessments applicable to the Condominium upon the completion of full buildout of both building Phases I and II and including Phase III, containing the pool area.

NOTE 5 Pursuant to Section 718.112(2)(f)2 of the Act, reserve accounts for capital expenditures and deferred maintenance ("Reserves") are to be established for items including, but not limited to, roof replacement, building painting and pavement resurfacing, and any items for which such costs exceed \$10,000.00. Pursuant to Rule 61B-22.005(7) as promulgated by the Division, funds reserved pursuant to Section 718.112(2)(f)3 of the Act must be used for the purposes for which they are reserved (e.g., amounts reserved for roof replacement may only be used for roof replacement), except as otherwise provided in the Act. Further, Reserves must be included in a proposed annual budget and may not be waived or reduced until after the mailing to Dwelling Unit Owners of the proposed annual budget and the vote by the Dwelling Unit Owners. Prior to turnover of control of an association by a developer to unit owners other than the developer pursuant to Section 718.301 of the Act, the developer-controlled association may not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all non-developer voting interests, voting in person or by limited proxy at a duly called meeting of the association.

In determining Reserve accounts, the Association has estimated remaining useful life and deferred maintenance or replacement costs for the items described above and amortized such costs by a straight line method of allocation. The estimated remaining useful life and remaining replacement costs of the various components used as a basis for the Reserves are as indicated on Page 2 of each schedule of the Budget. The Association has exercised good faith in making these projections and has taken into account current replacement costs in determining the estimated replacement cost or deferred maintenance expense for each Reserve item. As with all budget items, these are only estimates. No representation or warranty is made that if reserves are established in this amount that such Reserves will be adequate for actual repair or replacement which may become necessary.

NOTE 5A As described in Note 5, the Act requires reserves for all capital expenditures and deferred maintenance for any item for which the deferred maintenance expense or replacement cost is greater than \$10,000.00, unless waived or reduced pursuant to Section 718.112(2)(f)2 of the Act. Developer's appointed Board members have exercised or will exercise this right under Rule 61B-22.005(9) as promulgated by the Division pursuant to Section 718.112(2)(f)2 of the Act to waive statutory reserves for the first two (2) fiscal years of the Association's operation.



NOTE 6 This Budget has been prepared for the calendar year 2004 based upon prior experience and estimated expenses to be incurred during 2004. By definition, a budget is an estimate of expenses. However, actual expenses incurred may be either more or less than the estimated expenses set forth in the Budget. Please note that the Association has not included an inflation factor in computing the expenses reflected in the Budget. Therefore, the Association cannot and does not make any representation or warranty that actual expenses will not increase as a result of inflation or other factors. Furthermore, if the estimated expenses in certain categories of the Budget, for example, trash removal and electricity, are greater than the actual expenses incurred for these categories, then the excess amount allocated for that particular budgeted item will be used to offset deficits occurring in categories of the Budget where actual expenses exceed the estimated cost of the particular item of expenses for the year.

NOTE 7 Purchasers, upon the closing of each Dwelling Unit with Developer, shall pay a Working Fund Contribution equal to no less than two months' share of the annual Common Expenses for that Dwelling Unit pursuant to the initial Budget and with such funds the Association shall establish a Working Fund ("Fund"). The purpose of such Fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board. Amounts paid into this Fund are not to be considered as advance payment of regular Assessments.

NOTE 8 As provided in Section 4.3.2 of the Offering Circular, Developer has provided that for an initial period of time, until December 31, 2004, Developer guarantees that each Dwelling Unit Owner shall pay only the amounts set forth on the columns headed "Operating Expenses Annually" and "Operating Expenses Monthly" corresponding to his or her Dwelling Unit number of the Budget schedule for Phases I, II & III ("Guarantee for Common Expenses"). Developer shall pay all Common Expenses (excluding Reserves and any Special Assessments) not paid by Assessments of Dwelling Units at the guaranteed amount. The expiration of the guarantee period is December 31, 2004, provided that the Guarantee for Common Expenses shall terminate on the Majority Election Date in the event the Majority Election Date occurs prior to December 31, 2004. This Guarantee for Common Expenses shall not relieve Developer from paying Assessments for any Dwelling Units it owns. Developer reserves the right to extend the guarantee period for one year to December 31, 2005; provided, however, in such event, the guarantee shall terminate on the Majority Election Date in the event the Majority Election Date occurs prior to December 31, 2005. During any such extension, the amount guaranteed may be more than the current guaranteed amount, but shall be less than the amount shown for each Dwelling Unit (not including Reserves) on the Phases I, II and III schedule of the

Budget for 2005 and, in any event, shall not exceed one hundred fifteen percent (115%) of the current guaranteed amount.

Annual Assessments pursuant to the applicable Budget against all Dwelling Units shall be determined and made commencing January 1, 2005 if Developer does not choose the option to extend the guarantee, or January 1, 2006 if Developer chooses the option to extend the guarantee, or the Majority Election Date, whichever is the sooner to occur, and Developer will continue to pay the Annual Assessments for any of the Dwelling Units owned by Developer from and after such date.

NOTE 9 There are separate electric meters for the Common Elements. The amount set forth for this item includes security deposits required by the utility company from the Association. These common electric charges are allocated to each Dwelling Unit as Common Expenses and payable in accordance with each Dwelling Unit's share of the Common Expenses. Each Dwelling Unit has its own meter for electricity. These charges, as well as the security deposits, are billed directly to the Dwelling Unit Owner. Dwelling Units are separately metered for water and sewer services.

NOTE 10 As set forth in the Declaration, the Board shall purchase public liability and property damage insurance covering the Condominium Property and insuring the Association and the Dwelling Unit Owners, as their respective interests may appear. Each Dwelling Unit Owner shall be responsible for the purchase of liability insurance for accidents occurring in his own Dwelling Unit and for the purchase of insurance for all of his personal property, including floor coverings, wall coverings and ceiling coverings and the following equipment if it is located within a Dwelling Unit and the Dwelling Unit Owner is required to repair or replace such equipment: electrical fixtures, appliances, air conditioning and heating equipment, water heater and built-in cabinets. In addition, Section 718.119(2) of the Act now provides that, "The owner of a unit may be personally liable for the acts or omissions of the association in relation to the use of the common elements, but only to the extent of his or her pro rata share of that liability in the same percentage as his or her interest in the common elements, and then in no case shall that liability exceed the value of his or her unit." Accordingly, each Dwelling Unit Owner should consider the benefits of obtaining a personal insurance policy to indemnify himself in such situations. Also, the Act provides for fidelity bonding of all persons who handle or are responsible for handling funds of the Association.

NOTE 10A The Board has estimated the cost for the property damage insurance coverage based upon the current conditions within the insurance industry. The actual cost may be higher than the estimated cost and the additional amount needed to purchase the insurance coverage would be either a matter for a Special Assessment to Dwelling Unit Owners or result in the need to amend the Budget to cover such cost.

- NOTE 11 The item described as "Fees payable to the division of condominiums" represents the annual fees payable by the Association on behalf of Dwelling Unit Owners to the Division pursuant to Section 718.501(2)(a) of the Act.
- NOTE 12 Ad valorem taxes on the Condominium Property are assessed directly against each Dwelling Unit.
- NOTE 13 The expenses shown in the Budget are Common Expenses collectible by assessment. There are no Dwelling Unit Owner expenses which are defined in the Act as (a) rent for the unit, subject to a lease, and (b) rent payable by Dwelling Unit Owners directly to a lessor or agent under recreation lease or lease for the use of commonly used facilities.
- NOTE 14 The Association has a management agreement with MP Malone. The line item shown as "Management Fees" on the Budget reflects the management fee of \$10.00 per Dwelling Unit per month provided in the management agreement.
- NOTE 15 Dwelling Unit Owners are responsible to pay all or a portion of the costs for maintenance, repair and replacement of certain properties which are not part of the Condominium Property, being the Conservation Area and the Access Area, as described in Paragraphs 12.4 and 12.5 of the Declaration, respectively, and which are Common Expenses of the Condominium. The Budget sets forth the amounts anticipated to be payable for same pursuant to the "Mitigation Site" Reserves line item and the operating expenses line items for "Maintenance - Entrance Gates" and "Maintenance - Entrance Easement," respectively, and the Reserves schedule line item for "Entrance Easement Pavement Resurfacing."
- NOTE 16 The operating expense line item "Maintenance - Grounds" includes maintenance of any and all fencing on the Condominium Property.



This instrument was prepared by:  
Lisa A. Magill, Esquire,  
BECKER & POLIAKOFF, P.A.  
3111 Stirling Road  
Fort Lauderdale, FL 33312

**CERTIFICATE OF AMENDMENT  
TO THE DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO**

THIS DOCUMENT CONSTITUTES CERTIFICATION that the attached amendments to the Declaration of Condominium of Sheridan Beach Club Condominium Number Two, said Declaration having been recorded in Official Records Book 39158, at Page 1177, of the Public Records of Broward County, Florida, were duly adopted at a meeting held January 13, 2013, in the manner provided in the governing documents

IN WITNESS WHEREOF, we have affixed our hands this 12 day of <sup>April</sup>~~March~~, 2013, at Hollywood, Broward County, Florida.

WITNESSES

SHERIDAN BEACH CLUB CONDOMINIUM  
ASSOCIATION NUMBER TWO, INC.

Sign Bonnie Hollander

By: Athena Giordano  
Athena Giordano, President

Print Bonnie Hollander

619 East Sheridan Street  
Hollywood, FL 33004

Sign Arthur Baptiste

Print ARTHUR BAPTISTE

STATE OF FLORIDA  
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 12 day of <sup>APRIL</sup>~~March~~, 2013, by Athena Giordano, as President of Sheridan Beach Club Condominium Association Number Two, Inc., a Florida not-for-profit corporation.

NOTARY PUBLIC - STATE OF FLORIDA

Personally Known  OR  
Produced Identification

Sign Delia L. Kennedy  
Print DELIA L. KENNEDY

My Commission expires:

Type of Identification



DELIA L. KENNEDY  
MY COMMISSION # EE 202634  
EXPIRES: May 22, 2018  
Broward's Best Budget History Services

LAW OFFICES  
BECKER & POLIAKOFF, P.A. • 3111 STERLING ROAD • FT. LAUDERDALE, FLORIDA 33312  
TELEPHONE (954) 987-7550

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The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author details the various methods used to collect and analyze the data. This includes both manual and automated processes. The goal is to ensure that the information is both reliable and up-to-date.

The third part of the document focuses on the results of the analysis. It shows that there has been a significant increase in sales over the period covered. This is attributed to several factors, including improved marketing strategies and better customer service.

Finally, the document concludes with a series of recommendations for future actions. These include continuing to invest in marketing, improving operational efficiency, and maintaining strong relationships with customers.

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AMENDMENTS TO THE  
DECLARATION OF CONDOMINIUM  
OF  
SHERIDAN BEACH CLUB CONDOMINIUM ASSOCIATION NUMBER TWO

NOTE: NEW WORDS INSERTED IN THE TEXT ARE UNDERLINED AND WORDS DELETED ARE ~~LINED THROUGH~~ WITH HYPHENS.

1. Article 4.1 of the Declaration is amended to read as follows:

"Act" means the Condominium Act, Chapter 718, Florida Statutes (1976) as it may be amended or renumbered from time to time through the date of recording this Declaration amongst the Public Records of the County.

2. Article 17.4 of the Declaration is amended to read as follows:

Except as provided under the rules and regulations promulgated by the Association from time to time, Dwelling Unit Owners may keep, whether temporarily or permanently, no more than ~~one (1)~~ two (2) domestic pets, so long as the total combined weight of both pets (at maturity) does not exceed forty (40) pounds. Pets are limited to a dogs of gentle disposition or cats not to exceed forty (40) pounds in weight, in their Dwelling Units., Additionally, a Dwelling Unit Owner may keep together with the usual (small) domestic birds in cages and fish in tanks, subject to regulation by the Board of Directors. Tenants are limited to one (1) pet (either dog or cat) that weighs (at maturity) less than or equal to forty (40) pounds. No animals are permitted unless the Association is first provided with evidence that the pet is licensed/registered and all inoculations are current.

~~However, under~~ Under no circumstances will any dog whose breed is noted for its viciousness or ill- temper , in particular, the "Pit bull" (as hereinafter defined), Rottweiler, Mastiff, Presa Canario, or any crossbroods of such breeds, be permitted on any portion of the Condominium Property or Association Property, if any. A "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds.

No exotic pet or any animal of any kind which has venom or poisonous defense or capture mechanisms, or if let loose would constitute vermin, shall be allowed on any portion of the Condominium Property or the Association Property, if any.

~~Trained seeing-eye dogs will be permitted for those persons holding certificates of blindness and necessity. Other animals will be permitted if such animals serve as physical aids to handicapped persons and have been approved as a reasonable accommodation pursuant to state and federal~~

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~~fair housing laws, and such animals have been trained or provided by an agency or service qualified to provide such animals.~~ The guide or assistance animal will be kept in direct custody of the assisted person or the qualified person ~~training the animal~~ at all times when on Condominium Property or Association Property; if any, and the animal shall wear and be controlled by a harness or ~~orange-colored~~ short (non-retractable) leash and collar.

Pets may not be kept, bred or maintained for any commercial purpose. Any pet must be temporarily caged, carried or kept on a leash when outside of a Dwelling Unit. No pet shall be kept tied outside a Dwelling Unit or on any Terrace or Balcony, unless someone is present in the adjacent Dwelling Unit.

No dogs will be curbed in any landscaped area or close to any walk or Terrace, but only in special areas designated by the Board, if any, provided this statement shall not require the Board to designate any such area. A Dwelling Unit Owner shall immediately pick up and remove any solid animal waste deposited by his pet. The Association shall be entitled to levy Charges against Unit Owners that fail to clean up after their pets for the costs associated with additional janitorial or other services.

A Dwelling Unit Owner shall be liable for any damage to any of the Condominium Property or Association Property, if any, caused by his or her pet, including, but not limited to, damage to a Building, the grounds, flooring, wall, trim, finish, tiles, carpeting and stairs. A Dwelling Unit Owner shall compensate any person hurt or bitten by his or her pet and shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal within the Condominium Property or Association Property, if any. If a dog or any other animal becomes obnoxious to other Dwelling Unit Owners by barking or otherwise, the Dwelling Unit Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Dwelling Unit Owner, upon three (3) days' written Notice and Hearing by the Association, will be required to permanently remove the animal from the Condominium Property.

3. Article 17.11 is amended to read as follows:

No boats, boat trailers, recreational vehicles, house trailers, motor homes, ~~commercial~~ trucks, vans, motorcycles, ~~meter-ceters~~, go-carts, golf carts, motor bikes, commercial vehicles or other motor vehicles, other than four-wheel passenger automobiles and other four-wheel passenger vehicles and certain motorcycles which may be determined acceptable by the Board, shall be permitted on any portion of the Condominium Property or any Association Property except for trucks furnishing goods and services during the daylight hours and except as the Association may designate for such use by appropriate rules and regulations. Commercial vehicles include any vehicle used in a trade or business or having advertising or promotional information, symbols or materials affixed thereto regardless of where located; commercial trucks include any motor vehicle designed or used principally for the carriage of goods or which has been added a platform, rack or other equipment for the purposes of carrying goods, tools or equipment, as well as all trucks and vans exceeding 18'8" in length. Commercial vehicles and trucks shall only be permitted on the property when furnishing goods and services, during

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is crucial for the company's financial health and for providing reliable information to stakeholders.

Furthermore, it highlights the need for transparency in all financial reporting. This includes providing detailed breakdowns of income and expenses, as well as ensuring that all entries are properly documented and auditable.

In addition, the document outlines the responsibilities of the accounting department. This includes not only recording transactions but also analyzing financial data to identify trends and areas for improvement.

It also stresses the importance of staying up-to-date with changes in accounting standards and regulations. This ensures that the company's financial reporting remains compliant and accurate.

Finally, the document concludes by reiterating the commitment to high standards of financial integrity and accuracy. It states that the accounting department will continue to work diligently to provide the best possible service to the company.

The second part of the document provides a detailed overview of the company's current financial position. It includes a summary of the balance sheet, income statement, and cash flow statement.

Key figures are highlighted, such as total assets, liabilities, and equity. The document also discusses the company's revenue growth and profit margins over the past year.

Overall, the document provides a comprehensive and clear overview of the company's financial performance and the accounting department's role in ensuring its accuracy and integrity.

FORM OF SPECIAL CONDOMINIUM WARRANTY DEED

Grantee S.S. No. \_\_\_\_\_

Property Appraiser's  
Parcel Identification Number \_\_\_\_\_

Grantee S.S. No. \_\_\_\_\_

**SPECIAL CONDOMINIUM WARRANTY DEED**

THIS INDENTURE, made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between SHERIDAN 58, L.L.C., a Florida limited liability company, whose principal office is located at 701 N.W. 62nd Avenue, Suite 110, Miami, Florida 33126, hereinafter referred to as "Grantor," and \_\_\_\_\_, whose post office address is \_\_\_\_\_, State of \_\_\_\_\_, hereinafter referred to as "Grantee."

**WITNESSETH:**

That the Grantor, for and in consideration of the sum of TEN DOLLARS (\$10) and other good and valuable consideration to it in hand paid by the Grantee, the receipt of which is hereby acknowledged, has granted, bargained and sold to the Grantee, and the Grantee's heirs and assigns forever, the following described real property situated, lying and being in Broward County, Florida, to wit:

The Condominium Parcel known as Dwelling Unit \_\_\_\_ of Sheridan Beach Club Condominium Number Two ("Condominium"), according to the Declaration of Condominium thereof ("Condominium Declaration"), recorded in Official Records Book \_\_\_\_\_, Pages \_\_\_\_ through \_\_\_\_ of the Public Records of Broward County, Florida, and any and all amendments thereto.

Grantee, by acceptance hereof, and by agreement with Grantor, hereby expressly assumes and agrees to be bound by and to comply with all of the covenants, terms, conditions and provisions set forth and contained in the aforescribed Declaration, including, but not limited to, the obligation to make payment of assessments for the maintenance and operation of the Condominium ("Common Expenses") which may be levied against the aforescribed Dwelling Unit.

This conveyance is made subject to the following:

1. Real estate taxes for the year \_\_\_\_ and subsequent years;
2. Applicable zoning regulations and ordinances;
3. All of the terms, provisions, conditions, rights, privileges, obligations, easements and liens set forth and contained in the Declaration and all exhibits and any amendments thereto;
4. All of the covenants, agreements, conditions, restrictions and easements of record, if any, which may now affect the aforescribed property;
5. Perpetual easement for encroachments now existing or hereafter existing caused by the settlement or movement of improvements or caused by minor inaccuracies in building or rebuilding; and
6. Such facts as an accurate survey would show.

And the Grantor does hereby warrant the title to said property by, through and under the said Grantor and will defend the same against lawful claims of all persons claiming by, through or under the Grantor.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its proper officers thereunto duly authorized, the day and year first above written.

WITNESSES:

SHERIDAN 58, LLC, a Florida limited liability company

\_\_\_\_\_  
Print name: \_\_\_\_\_

By: \_\_\_\_\_  
Jose A. Gonzalcz, its Manager

\_\_\_\_\_  
Print name: \_\_\_\_\_

ACCEPTED BY GRANTEE:

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

STATE OF FLORIDA            )  
  )  
COUNTY OF PALM BEACH    )

SS:

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Jose A. Gonzalez, the Manager of SHERIDAN 58, LLC, a Florida limited liability company, freely and voluntarily under authority duly vested in him by said company. He is personally known to me or has produced \_\_\_\_\_ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Typed, printed or stamped name of Notary

My Commission Expires:







FORM OF CONTRACT FOR PURCHASE AND SALE

This is a Contract to acquire a condominium parcel in a Florida condominium. As such, Florida law requires the following to be placed on the first page of the Contract:

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF DEVELOPER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.

ANY PAYMENT IN EXCESS OF 10 PERCENT OF THE PURCHASE PRICE MADE TO DEVELOPER PRIOR TO CLOSING PURSUANT TO THIS CONTRACT MAY BE USED FOR CONSTRUCTION PURPOSES BY DEVELOPER.

CONTRACT FOR PURCHASE AND SALE OF A CONDOMINIUM PARCEL IN SHERIDAN BEACH CLUB CONDOMINIUM NUMBER TWO

This Contract for Purchase and Sale ("Contract") is made between SHERIDAN 58, LLC, a Florida limited liability company (hereinafter called "Seller" or "Developer"), and \_\_\_\_\_ (hereinafter called "Purchaser" or "Buyer")

Permanent Address: \_\_\_\_\_  
City State Zip Code  
Phone Number (\_\_\_\_) \_\_\_\_\_

Permanent Address: \_\_\_\_\_  
City State Zip Code  
Phone Number (\_\_\_\_) \_\_\_\_\_

[Check box for address for any notices to be given or delivered under this Contract.]

Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the condominium parcel hereinafter described for the price and on the terms and conditions now about to be set forth. (All terms used herein with initial capital letters and quotation marks are defined later in this Contract.)

1. CONDOMINIUM PARCEL. Purchaser agrees to buy a condominium parcel ("Condominium Parcel") in Sheridan Beach Club Condominium Number Two ("Condominium"). The Condominium Parcel shall consist of:

- (i) unit \_\_\_\_\_ (hereinafter referred to as the "Dwelling Unit") in the Condominium; and
- (ii) a percentage of undivided ownership interest in the common elements attributable to the Dwelling Unit; and
- (iii) other appurtenances as described in and subject to the Declaration of Condominium of Sheridan Beach Club Condominium Number Two ("Declaration") and any amendments thereto, as recorded or to be recorded in the Public Records of Broward County, Florida ("County"), furnished pursuant to Section 718.503, Florida Statutes.

2. PURCHASE PRICE.

2.1 Purchase Price

2.1.1 The "Purchase Price" for the Dwelling Unit (exclusive of closing costs set forth in Article V of the Standards).....\$ \_\_\_\_\_

2.1.2 Options ("Extras", as defined in Article IV.F of the Standards) ordered pursuant to any addenda attached hereto.....\$ \_\_\_\_\_

2.1.3 TOTAL PURCHASE PRICE.....\$ \_\_\_\_\_

2.2 Payment of Purchase Price: The Purchase Price is payable as follows:

2.2.1 Deposit:

(i) Initial deposit due upon the execution hereof.....\$ \_\_\_\_\_  
(If by check, subject to collection and  
final settlement.)

(ii) Additional deposit due on or before \_\_\_\_\_ \$ \_\_\_\_\_  
(If by check, subject to collection and  
final settlement.)

2.2.2 Balance of Purchase Price upon "Closing" (as  
defined in Article II of the Standards) by cash  
or cashier's check (subject to prorations and  
closing expenses).....\$ \_\_\_\_\_

3. ESTIMATED COMPLETION DATE. Without guaranteeing a completion date, it is estimated that completion of the Dwelling Unit shall be \_\_\_\_\_ ("Completion Date"), subject to Article V of the Standards.

This Contract has \_\_\_\_\_ has not \_\_\_\_\_ been entered into after the Completion Date as described in Article V of the Standards. (Initial applicable provision)

4. BROKERAGE. The provision initialed below is selected by Purchaser:

\_\_\_\_\_ Purchaser hereby represents that the sale of the Condominium Parcel pursuant to this Contract was made by the following brokerage company: \_\_\_\_\_ ("Broker").

\_\_\_\_\_ Purchaser hereby represents that no broker was involved in procuring this Contract.

5. MISCELLANEOUS. The legal description of the land planned to constitute the Condominium is described in Exhibit A attached to the Declaration and made a part thereof.

6. STANDARDS. The parties hereby agree that Seller shall sell and Purchaser shall buy the Condominium Parcel upon the foregoing terms and conditions and the Standards for Real Estate Transactions ("Standards"), consisting of nine (9) pages, attached hereto, and any riders and addenda to this Contract.

IN WITNESS WHEREOF, the parties have hereunto affixed their respective hands and seals on the day and year set forth under their respective names.

ANY PAYMENT IN EXCESS OF 10 PERCENT OF THE PURCHASE PRICE MADE TO DEVELOPER PRIOR TO CLOSING PURSUANT TO THIS CONTRACT MAY BE USED FOR CONSTRUCTION PURPOSES BY DEVELOPER.

\_\_\_\_\_  
PURCHASER

\_\_\_\_\_  
PURCHASER

Dated: \_\_\_\_\_

This Contract for Purchase and Sale is not binding until executed by an officer of Seller:

SELLER: SHERIDAN 58, LLC, a Florida limited liability company

By: \_\_\_\_\_

Dated: \_\_\_\_\_

STANDARDS FOR REAL ESTATE TRANSACTIONS

I. PHASE CONDOMINIUM PLAN AND CONDOMINIUM DOCUMENTS

A. Plan of Development: Seller is developing the Condominium as a phase condominium as provided for by the Act, with each building and certain land constituting a separate phase of the Condominium in accordance with the plan of development described in the Declaration. Purchaser acknowledges that the Condominium will contain a minimum of twenty-nine (29) dwelling units and shall contain fifty-eight (58) dwelling units and recreational facilities if all phases of the Condominium are submitted to condominium ownership as planned. The legal description of the portion of the land constituting the initial phase of the Condominium ("Phase II") is described in Exhibit B-2 attached to the Declaration and made a part thereof. The legal descriptions of the portions of the land constituting the subsequent phases of the Condominium ("Phase I" and "Phase III") are described in Exhibits B-1 and B-3 of the Declaration.

Purchaser acknowledges that Seller shall not be obligated to submit a Subsequent Phase to condominium ownership and the decision to submit a Subsequent Phase to condominium ownership as part of the Condominium shall be in the sole discretion of Seller. Buyer further acknowledges that there will be one (1) condominium association responsible for the management of the Condominium, which may also be responsible for the management of another condominium(s). If, as and when a Subsequent Phase is added, the condominium property shall be enlarged and expanded so as to include the real property, the improvements thereon, and the easements and rights appurtenant thereto which are submitted to condominium ownership as parts of a Subsequent Phase. Buyer acknowledges that he has read and reviewed the Declaration which includes a complete description of the phasing plan of the Condominium and which is incorporated herein by reference.

B. Condominium Law Statement: The Condominium Act, Chapter 718, Florida Statutes, 1976, as amended through the date of execution of this Contract ("Act") requires that the following statement be contained in contracts for the sale of a condominium parcel:

**THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM/HER BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN FIFTEEN (15) DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.**

C. Documents Described and Provisions to Cancel: Purchaser acknowledges that prior to the execution of this Contract all of the statutory information concerning this Condominium required by Sections 718.503 and 718.504 of the Act has been delivered to Purchaser, the receipt of which is hereby acknowledged by Purchaser. The information delivered to Purchaser includes the Declaration of Condominium for Sheridan Beach Club Condominium Number Two ("Declaration"), and the exhibits thereto, including the following documents and all amendments or addenda thereto ("Condominium Documents"): form of Amendment to Declaration to add a Phase; the Articles of Incorporation and Bylaws of the condominium association responsible for operating the Condominium ("Association"); Estimated Operating Budget; Rules and Regulations; Form of Special Condominium Warranty Deed; Form of Contract for Purchase and Sale; Site Plan; Survey, Plot Plan and Graphic Description of Improvements; Floor Plans; Escrow Agreement; Form of Dwelling Unit Lease; Form of Parking Space Assignment; Evidence of Developer's Ownership in the Land Upon Which the Condominium Will Be Built; Frequently Asked Questions and Answers Sheet; and Receipt for Condominium Documents. The terms and conditions of the Condominium Documents are hereby incorporated by reference into this Contract. Purchaser agrees to read and become familiar with the Condominium Documents referred to in this Paragraph prior to the expiration of the period in which Purchaser may cancel this Contract under Article II, Paragraph B, and to rely solely on these Condominium Documents to the exclusion of all other written or oral representations in deciding whether or not to exercise the right to cancel under Article I, Paragraph B. Purchaser has fifteen (15) days from the date indicated on the signature page on which Purchaser executes this Contract to exercise the right of cancellation set forth in Article I, Paragraph B by delivering written notice to Seller at 701 N.W. 62nd Avenue, Suite 110, Miami, Florida 33126, which is the place for giving any notices to Seller under this Contract). Purchaser agrees that the Condominium Documents may be changed or amended, if necessary, to meet the requirements of a mortgagee, public authority or title insurance company. Purchaser agrees to be bound by the terms of the Condominium Documents, to acquire the Condominium Parcel subject thereto and to execute any documents required to implement the same.

including the Special Condominium Warranty Deed described in Article V of these Standards.

D. Presale Requirement: Notwithstanding any other provisions of this Agreement, Seller shall not be required to commence or complete construction of the proposed improvements, or to convey the Dwelling Unit to Purchaser, until forty-seven (47) of the dwelling units planned for the Condominium have been contracted for purchase, pursuant to legally enforceable purchase agreements between Seller and purchasers for which the rescission period has expired ("Presale Requirement"). Once the Presale Requirement has been satisfied, Seller shall send written notice thereof to Purchaser. The day the Presale Requirement has been satisfied or waived by Seller as hereinafter set forth is referred to herein as the "Sales Date." Purchaser acknowledges that no right of cancellation by Purchaser exists for the period of time prior to the Sales Date except for matters otherwise provided for herein. If within the "Presale Period" (as hereinafter defined) the Presale Requirement has not been (i) satisfied, or (ii) waived by Seller by written notice of such waiver mailed to Purchaser, then Seller shall cause all of Purchaser's deposits to be returned to Purchaser, whereupon this Contract shall be terminated and neither party shall have any claim against the other. The "Presale Period" shall not exceed one hundred eighty (180) days from \_\_\_\_\_, 200\_\_ (the date the first purchaser signed a purchase agreement for the purchase of a dwelling unit in the Condominium). If the Presale Requirement is satisfied or Seller waives the Presale Requirement, Seller thereby commits to construct the Condominium.

## II. CLOSING

The specific time for Closing shall be designated by Seller in writing (which writing is hereinafter referred to as the "Closing Notice") to Purchaser at least ten (10) days prior to the date of Closing. The Closing will be at the place Seller designates in the Closing Notice. It is mutually agreed that the closing of this Contract ("Closing") shall not occur before the "Completion Date." The "Completion Date" for the Dwelling Unit shall be the later to occur of the following dates: (i) the date of issuance of a Certificate of Occupancy for the building in which the Dwelling Unit is located, provided that the Declaration has been recorded together with the Certificate of Substantial Completion as provided by Section 718.104(4)(c) of the Act; or (ii) the date of recording the Declaration together with a Certificate of Substantial Completion as provided by Section 718.104(4)(e) of the Act, provided the Certificate of Occupancy for the building in which the Dwelling Unit is located has been issued prior thereto.

## III. DEFAULT

A. Purchaser's Default: Purchaser shall be in default under this Contract in the event that: (i) Purchaser fails or refuses to complete and execute all of the instruments required of Purchaser under this Contract promptly or when requested to do so by Seller; or (ii) Purchaser fails or refuses to make timely payment of any payments required under this Contract; or (iii) Purchaser in any other manner fails or refuses to perform his/her obligations under this Contract. In the event of any such default by Purchaser, Seller shall give Purchaser written notice of such default and allow seven (7) days from date of such notice for Purchaser to cure such default except that Purchaser shall not be entitled to any such notice of or opportunity to cure a default resulting from Purchaser's failure to timely close as required by this Contract. If Purchaser shall fail to close as required by this Contract or, as to any other default, cure such other default within such seven (7) day period, Seller shall, and does hereby have, the unrestricted option to: (i) consider Purchaser in default under this Contract; (ii) retain all sums paid to it hereunder as agreed upon and liquidated damages and in full settlement of any claim for damages; and (iii) terminate all rights of Purchaser under this Contract. Purchaser and Seller recognize the difficulty of measuring Seller's damages if Purchaser defaults. Purchaser acknowledges the necessity and fairness of Seller retaining all sums paid to it hereunder as agreed upon and liquidated damages because Seller will be constructing the building within which the Dwelling Unit will be located in reliance upon this Contract and Seller's damages would include, but not be limited to: (i) withholding the Dwelling Unit from an immediate sale to any other party; (ii) overhead incurred in processing the Contract; (iii) costs associated with placing the Dwelling Unit back in the marketplace; and (iv) costs due to the delay in selling the Dwelling Unit. Purchaser and Seller recognize the impossibility of measuring Seller's damages if Purchaser defaults and acknowledge that Seller's right to keep the deposit in such event is fair and reasonable.

B. Seller's Default: If Seller defaults in the performance of this Contract, Purchaser shall give Seller written notice of such default, and if Seller within seven (7) days from receipt of such written notice shall fail to take action that would cure the default within a reasonable period of time, and if Purchaser has performed all his/her obligations hereunder, Purchaser shall have the option to cancel this Contract by giving written notice thereof to Seller and upon such cancellation Seller shall refund to Purchaser all monies paid by Purchaser to Seller hereunder plus such interest as is prescribed by the Act, in which event this Contract shall be terminated and neither party shall have any claim against the other. Nothing contained herein shall be deemed to restrict Purchaser's remedy of specific performance of this Contract or any other remedy if Purchaser shall be entitled to such remedy under applicable law.

IV. CONSTRUCTION AND COMPLETION

A. Purchaser acknowledges that there has been made available to him/her and he/she has examined the floor plans of the Condominium and the type of dwelling unit being purchased by him/her hereunder, but that floor plan dimensions are approximate. Purchaser further acknowledges that Seller has made available to Purchaser complete plans and specifications for the Dwelling Unit and the improvements comprising the common elements of the Condominium. Where this Contract is executed prior to the Completion Date, Seller agrees to construct the Dwelling Unit substantially in accordance with the floor plans and plans and specifications, subject, however, to: (i) job site changes and architectural changes required during construction; (ii) modifications required by changes in the law, including but not limited to federal, state and local laws and applicable building codes; and (iii) shortages in materials or supplies or substantial increases in the cost of same which, in the sole discretion of Seller, may require a substitution of materials or supplies or the cancellation of a supplier. In the event of substitution, Seller agrees, whenever reasonably possible, to use materials or supplies of similar quality; but in no event shall any materials or supplies be of lesser quality than required by applicable building codes or substantially change the product for which Purchaser has contracted. Notwithstanding anything herein to the contrary, the Dwelling Unit shall be in compliance with all applicable building codes and shall meet or exceed hurricane resistance standards as set forth in such codes.

B. Purchaser acknowledges that quality, colors or grades of items supplied by Seller may vary from those selected by Purchaser due to shortages, discontinuances of selections or substantial increases in the costs of same or color run variations or requirements of governmental agencies.

C. Except as provided in this Article IV.C and Article VII.A, for reasons of safety and requirements under policies of insurance held by Seller, neither Purchaser nor any agent of Purchaser shall enter the Condominium Parcel or the Condominium until after Purchaser has closed this Contract and taken possession of his/her Dwelling Unit, whereupon his/her rights shall be as set forth in the Condominium Documents. Purchaser agrees hereby to abide by such restriction and not to enter upon, nor interfere in any way with the construction of, the Condominium.

D. Seller presently plans to install insulation in the building in which the Dwelling Unit is located. The location, type, thickness and R-value (according to the manufacturer(s) thereof) are as follows:

| <u>Location</u>                               | <u>Type</u>     | <u>Thickness</u> | <u>R-Value</u> |
|---|-----------------|------------------|----------------|
| Corridor frame walls                          | Fiberglass-batt | 3.5"             | R-11           |
| Exterior masonry walls                        | Cellulose       | 3/4"             | R-3            |
| Concrete common walls<br>(of A/C living area) | Cellulose       | 3/4"             | R-3            |
| Ceiling of A/C living area<br>at trusses      | Fiberglass-batt | 6"               | R-19           |

\* The above R-values are minimums. Please refer to the specific features list for any variances.

\*\* Seller reserves the right to use different types of insulation with different thicknesses and R-values in accordance with the provisions of this Article V.

E. Purchaser shall be permitted to make, as applicable and where Purchaser has a choice, structural selections within ten (10) days of execution of this Contract and selections of color, feature, style and material for the Dwelling Unit within thirty (30) days of execution of this Contract. In the event these selections are not made within such time, Purchaser hereby authorizes Seller to make such selection for the Dwelling Unit as Seller deems advisable. All selections made shall be final.

F. Any extras, alterations or improvements from the plans and specifications ("Extras") desired by Purchaser, if offered and approved by Seller, shall be ordered pursuant to an addendum to this Contract and the Extras shall be paid for in full by Purchaser at the time of ordering such Extras. If Purchaser orders Extras pursuant to any addendum hereto, Purchaser shall not be entitled to a refund of monies paid for such Extras except if: (i) this Contract is voided by Purchaser pursuant to Article II.B of the Standards; or (ii) Seller defaults hereunder. Purchaser acknowledges the necessity and fairness of this provision because Seller will be incurring nonrefundable expenses in ordering these Extras to be installed or constructed within the Dwelling Unit in reliance upon this Contract and any addendum hereto.

G. Purchaser acknowledges that Purchaser has been made aware that under applicable building codes changes in the

plans and specifications, sometimes called "field changes," are authorized by law and may be employed by Developer, the contractor and the subcontractors. Purchaser acknowledges that such field changes are not always required to be reflected in the plans and specifications and approves such field changes as are contemplated by this Paragraph and as are otherwise lawful, whether or not incorporated into the plans and specifications or the final set of plans and specifications given to the Association and agrees that such field changes as are not required by building codes to be so incorporated need not be so incorporated in the final plans and specifications.

H. In the event this Contract is entered into after the Completion Date, the following provisions shall apply:

1. The provisions of Article V.A shall not be applicable to this Contract, and Purchaser acknowledges that there has been made available to him/her and that he/she has been shown the model and/or the model floor plans of the Condominium and the type of dwelling unit being purchased by him/her hereunder. Purchaser further acknowledges that Seller has made available to Purchaser complete plans and specifications for the Dwelling Unit and the improvements comprising the common elements and that Purchaser has had the right and opportunity to examine the Dwelling Unit and the Condominium.

2. Article VI, relating to the escrow of deposit monies, shall not be applicable to this Contract.

#### V. SPECIAL CONDOMINIUM WARRANTY DEED; TITLE; CLOSING PROCEDURES

A. Seller covenants and agrees that the conveyance of the Condominium Parcel shall be by a Special Condominium Warranty Deed ("Deed"), in such form as may be approved by a mortgage lender or a title insurance company doing business in the State of Florida, which Purchaser shall sign with Seller.

The Condominium Parcel being sold hereunder shall be conveyed subject to all of the covenants and provisions set forth in the form of Deed, including, but not limited to, the following: (i) all of the terms, provisions, conditions, rights, privileges, obligations, easements and liens set forth and contained in the Condominium Documents; (ii) applicable zoning regulations and ordinances; (iii) real estate taxes for the year of Closing and subsequent years; (iv) such facts as an accurate survey would show; (v) all covenants, conditions, restrictions, agreements and easements of record and easements referred to in the Condominium Documents; and (vi) perpetual easement for encroachments. The acceptance of the Deed by Purchaser shall be deemed to be acceptance of full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Contract except obligations pursuant to Article V.D of these Standards and under the "Sole Warranties" as defined in Article VII.B of these Standards, which acknowledgments shall survive delivery of the Deed and possession of the Dwelling Unit.

B. The rights of Seller and Purchaser pursuant to the terms and conditions of this Contract are and will be subject and subordinate to the lien of any mortgage now or hereafter placed by Seller on the Condominium or on the Dwelling Unit prior to Closing, and to all amendments, modifications, renewals, consolidations and extensions thereof, and all voluntary and involuntary future advances thereunder; provided, however, unless Purchaser has agreed to assume same, Seller shall cause any such mortgage to be discharged of record as to the Condominium Parcel contemporaneously with the delivery or recording of the Deed to the Condominium Parcel. At Seller's option, such mortgage may be discharged with the proceeds of the sale of the Condominium Parcel.

C. At Closing, it shall be the responsibility of Purchaser to pay: (i) for all costs of closing any Mortgage Loan including, but not limited to, documentary stamps on the promissory note, intangible tax on the mortgage, costs of recording the mortgage, mortgagee's title insurance policy and endorsements (typically, \$225.00), settlement or closing fee (typically, \$295.00), courier fees (typically, \$95.00), any abstract of title (typically, \$150.00), title re-certification and post closing packaging (typically, \$175.00) and any fees charged by an attorney retained by Purchaser; (ii) any utility meter setting charges/connection fees or other utility charges (e.g., impact fees) which may be advanced by Seller on behalf of Purchaser; (iii) the Annual Assessment (as described in the Declaration) prorated from the date of the Closing to the end of the month in which the Closing takes place and collected in advance for the following calendar month; (iv) a working fund contribution equal to two (2) months' share of Common Expenses for the Dwelling Unit pursuant to the initial budget; (v) to Seller, a reimbursement for any and all amounts which Seller may have paid to the Association with respect to the Dwelling Unit for reserves for deferred maintenance or capital improvements; (vi) all applicable sales or use tax arising out of this transaction; and (vii) to Seller, a reimbursement in an amount equal to the initial capital assessment which Seller paid to the Association for the Dwelling Unit, if any. Seller may pay certain of the aforesaid fees and charges prior to the Closing, in which case Purchaser shall reimburse Seller, at Closing, for whatever such amounts are advanced by Seller. Purchaser shall also pay for the costs of officially recording the Special Condominium Warranty Deed, for documentary stamps on the Special Condominium Warranty Deed, an administrative closing fee to Seller in the amount of \$495.00 and any late charges provided for in this Contract, if applicable. Documentary stamp taxes on the Special Condominium Warranty Deed are anticipated to be, at Closing, at the rate of \$.70 for each \$100.00 of Purchase Price. Real estate tax bills shall be paid by Purchaser upon receipt

of such bills. If taxes for the year of Closing are assessed on the Condominium as a whole, Purchaser shall pay Seller, at Closing, the Dwelling Unit's allocable share of those taxes (as estimated by Seller and subject to reparation when the actual tax bill is available) for the Dwelling Unit from the date of Closing through the end of the applicable calendar year of Closing. If taxes for the year of Closing are assessed on a unit-by-unit basis, Purchaser and Seller shall prorate taxes as of the Closing Date based upon the actual tax bill, if available, or an estimate by Seller, if not available, with Purchaser responsible for paying the full amount of the tax bill and Seller reimbursing Purchaser for Seller's prorated share of those taxes. Purchaser agrees that Seller's prorated share of taxes due as of Closing need not be paid to Purchaser, however, until the actual tax bill is presented to Seller, and any proration based on an estimate of the current year's taxes shall be subject to reparation upon request of either party. This last stated provision shall survive Closing of this Contract. Pending liens as of the date of this Contract shall be assumed by Purchaser. Certified, confirmed and ratified special assessment liens by governmental authorities as of the date of this Contract are to be paid by Seller. All amounts due under this Contract shall be paid by cashier's check or wire transfer (in U.S. funds only). Seller shall pay for the premium for Purchaser's title insurance policy and shall select the title agent.

D. Prior to Closing and upon notice from Seller, Purchaser shall inspect the Dwelling Unit with Seller and complete the "Customer Compliance List" presented to it by Seller specifying any work required to substantially conform the Dwelling Unit to the floor plans and plans and specifications. Seller shall have sixty (60) days from the date of inspection by Purchaser to complete all work required under the Customer Compliance List, however, Seller shall have a reasonable amount of time beyond the sixty (60)-day period to correct those items on the Customer Compliance List which are beyond Seller's control. The fact that Seller has still to complete the work contemplated under the Customer Compliance List shall not delay or postpone the obligation of Purchaser to close and pay the balance of the Purchase Price nor shall the foregoing grant Purchaser the right to have any portion of the Purchase Price placed in escrow pending completion of those items set forth on the Customer Compliance List.

E. Purchaser also agrees to execute any closing statements or other documents which may be required in connection with the Closing of this Contract or closing of any mortgage financing desired by Purchaser, whether or not such financing is closed simultaneously with the Closing of this Contract. In the event the Closing is not completed on the date noticed for Closing (except due to the fault of Seller), Purchaser shall pay to Seller an amount equal to eighteen percent (18%) per annum on the unpaid balance of the Purchase Price from the date for Closing set forth in the Closing Notice until the actual Closing occurs and all monies to be paid by Purchaser to Seller pursuant to the terms of this Contract are received by Seller, though nothing contained herein shall be deemed to require Seller to waive Purchaser's default in failing to close on the date noticed therefor or to extend the time for the Closing. For purposes of calculating prorations at the Closing, the date for Closing specified in the Closing Notice shall be the date of Closing.

## VI. ESCROW OF DEPOSIT MONIES

A. Seller has established an escrow account in accordance with Section 718.202 of the Act with Westwood National Title Company, whose address is 701 Waterford Way, Suite 100, Miami, Florida 33126 (which account shall hereinafter be referred to as the "Escrow Account"). Seller reserves the right to designate a different Escrow Agent ("New Escrow Agent") provided the New Escrow Agent is one of the parties designated by Section 718.202 of the Act. In the instance where this Contract is executed prior to the Completion Date, all deposit monies received by Seller from Purchaser prior to Closing pursuant to this Contract shall be deposited in the Escrow Account until the amount deposited shall equal ten percent (10%) of the Purchase Price. Such payments shall be held in the Escrow Account, together with payments of other purchasers of condominium parcels in the Condominium. Purchaser may, upon written request to the Escrow Agent, obtain a receipt for his/her deposit. Purchaser, by his/her execution of this Contract, expressly authorizes the Escrow Agent to disburse Purchaser's payments held in the Escrow Account to Seller upon written notice to the Escrow Agent by Seller that Closing has occurred or that Purchaser is in default as provided herein, whichever shall first occur. Escrow Agent is hereby authorized to act and rely exclusively on this last stated authorization as its instruction from Purchaser to so release such payments held in the Escrow Account. Notwithstanding the foregoing provision, Purchaser agrees that Escrow Agent may deliver Purchaser's deposit to Seller for Seller's use prior to Closing if Seller has otherwise complied with the escrow requirements of Section 718.202 of the Act including, but not limited to, by providing Escrow Agent with an irrevocable letter of credit or a surety bond approved by the Director of the Division of Florida Land Sales, Condominiums and Mobile Homes in accordance with the Act which can be drawn upon in the event Purchaser's deposit is to be refunded to Purchaser. Purchaser agrees to indemnify and hold Escrow Agent harmless from any claims or damages which may result from Escrow Agent's escrowing or disbursing of Purchaser's payments held in the Escrow Account other than those claims or damages resulting from Escrow Agent's gross negligence or willful malfeasance.

B. Seller has also established a special escrow account ("Special Escrow Account") in accordance with Section 718.202 of the Act with Escrow Agent. In the instance where this Contract is executed prior to the Completion Date, any deposit monies paid to Seller prior to Closing in accordance with this Contract in excess of ten percent (10%) of the Purchase Price shall be held in the Special Escrow Account, together with other deposits in excess of ten percent (10%) of the Purchase



Price of condominium parcels of other purchasers in the Condominium. Purchaser agrees that the funds deposited in the Special Escrow Account may be withdrawn by Seller when the construction of improvements for the Condominium has begun and may be used in accordance with Section 718.202 of the Act. Purchaser expressly authorizes the Escrow Agent to disburse monies held in the Special Escrow Account to Seller upon request of Seller provided Seller shall state in such request that construction of improvements has begun and the Escrow Agent is entitled to rely on this authorization so as to release to Seller such payments from the Special Escrow Account. Purchaser agrees to indemnify and hold the Escrow Agent harmless from any claims or damages which may result from its escrowing or disbursing of Purchaser's payments held in the Special Escrow Account other than those claims of damages resulting from its gross negligence or willful malfeasance. Further, any of Purchaser's payments remaining in the Special Escrow Account may be withdrawn by Seller at the Closing or upon default by Purchaser as provided herein upon written authorization by Seller to the Escrow Agent of the fact of such default or the fact of such Closing and the Escrow Agent is hereby authorized to act and rely exclusively on these authorizations so as to release to Seller such payments held in the Special Escrow Account.

## VII. LIMITATION OF WARRANTIES

A. Purchaser shall have the right, pursuant to Article V.D, to inspect the Dwelling Unit and the common elements prior to Closing. Purchaser hereby agrees that from and after the Closing, Purchaser shall not make or bring, and shall not support the bringing of such action by others, any claim or action whatsoever against Seller or Seller's agents with respect to the dimensions of the Dwelling Unit or the common elements, the materials employed in the construction of the Dwelling Unit or the common elements, or the quality of workmanship or the merchantability or fitness of the Dwelling Unit or the common elements or fixtures or items of personal property sold pursuant to this Contract, or the merchantability or fitness thereof, except such claims or actions as may be permitted by Paragraph B below.

B. Purchaser acknowledges that at the time of execution of this Contract, Seller has no reason to know of any particular purpose of Purchaser in purchasing the Dwelling Unit and items of personal property sold pursuant to this Contract other than for normal residential use. Purchaser acknowledges and agrees that the only warranties applicable to the Condominium are those that may validly be imposed thereon by statutory law on the date hereof, as set forth in Section 718.203, Florida Statutes, as such section exists as of the date of this Contract ("Sole Warranties"). Purchaser further acknowledges and agrees that, to the extent allowed by law, Seller makes no other express or implied warranties whatsoever in regard to the Dwelling Unit, the common elements, any fixtures or items of personal property sold pursuant to this Contract or any other real or personal property whatsoever sold hereby.

C. Notwithstanding anything to the contrary in this Contract, Purchaser acknowledges and agrees that Seller shall be irreparably harmed if Purchaser undertakes the repair or replacement of any defective portion of the Dwelling Unit, common elements, fixtures, items of personal property or any other real or personal property in connection with the Dwelling Unit during the time in which the Sole Warranties remain in effect. Accordingly, Purchaser hereby agrees: (i) to promptly, upon Purchaser's knowledge of the existence of any such defective portion, provide written notice to Seller specifying each such defective portion, upon the receipt of which Seller shall have sixty (60) days ("Repair Period") to commence to repair or replace such defective portion and diligently pursue the completion thereof; or (ii) not to repair, replace or otherwise adjust any such defective portion during the Repair Period; provided, however, that if Seller fails to commence the repair or replacement of such defective portion within the Repair Period, Purchaser may repair or replace same. If Purchaser fails to comply with the provisions of this Paragraph C, Purchaser will be deemed to have breached his/her obligation to mitigate damages and Purchaser's conduct shall constitute an aggravation of damages.

**SELLER MAKES THIS WARRANTY EXPRESSLY IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES CONCERNING THE DWELLING UNIT SOLD OR TO BE CONSTRUCTED HEREUNDER AND THE PROPERTY SOLD HEREUNDER OR PREVIOUSLY PURCHASED FROM SELLER, AND ANY OTHER REPRESENTATIONS, STATEMENTS OR PROMISES MADE BY ANY PERSON ARE UNAUTHORIZED AND ARE NOT BINDING UPON SELLER. ALL OTHER WARRANTIES WITH RESPECT TO THE DWELLING UNIT AND THE PROPERTY HEREUNDER ARE HEREBY DISCLAIMED, TO THE EXTENT PERMITTED BY LAW, WHETHER IMPLIED OR ARISING BY OPERATION OF LAW, COURSE OF DEALING, CUSTOM AND PRACTICE, OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF HABITABILITY, MERCHANTABILITY, AND FITNESS FOR PARTICULAR PURPOSE; AND BUYER REPRESENTS THAT BUYER HAS READ AND UNDERSTOOD THIS PROVISION, AND THAT BUYER UNDERSTANDS AND AGREES THAT BY ENTERING INTO THIS CONTRACT AND ACCEPTING THE BENEFITS OF THE LIMITED WARRANTY DESCRIBED ABOVE, BUYER HAS KNOWINGLY RELINQUISHED ANY AND ALL OTHER WARRANTIES OF ANY KIND OR NATURE REGARDING THE UNIT AND THE PROPERTY.**

It is hereby agreed that the maximum liability of Seller under the Sole Warranties shall be the replacement cost of the defective portion of the Dwelling Unit, common elements, fixtures, items of personal property or other real or personal property. Seller shall have the sole right to determine whether the defect shall be corrected by repair or replacement. In addition, at Seller's sole option, rather than repairing or replacing the defective item, Seller may pay Purchaser the amount by

which the value of the Condominium Parcel has decreased as a result of this defect. In no event shall Seller be liable to Purchaser or the Association or any other person or entity for consequential or exemplary damages, or for personal injuries arising from any breach of the Sole Warranties.

D. Purchaser hereby acknowledges that: (i) the Sole Warranties shall not apply if the defective portion of the Dwelling Unit, common elements, fixtures or any other real or personal property has resulted from or been caused by, in whole or in part, the misuse of same (whether intentional or unintentional) by any person, firm or entity other than Seller or from an accident, casualty or physical alteration or modification; and (ii) the Sole Warranties are further conditioned upon routine maintenance being performed unless such maintenance is an obligation of Seller or a Seller-controlled association.

E. The provisions of this Article VII shall survive the Closing and delivery of the Deed.

#### VIII. MISCELLANEOUS PROVISIONS

A. Unless otherwise indicated in this Contract, Purchaser represents and warrants that the sale of the Condominium Parcel pursuant to this Contract was made by personnel of Seller's ("Agent"), and that no action or inaction or conduct on the part of Purchaser would give rise to a real estate commission being due to any other real estate broker or salesman other than said real estate broker(s) and/or salesmen, if any. Purchaser agrees to indemnify and hold Seller harmless from the claims of other real estate brokers and/or salesmen claiming a real estate commission including, but not limited to, any Legal Fees which Seller may incur as the result of any such claims. This representation, warranty and agreement shall survive the Closing.

B. Any notice required or permitted to be given to Purchaser under this Contract may be delivered either personally or by mail or mailgram addressed to Purchaser at the address of Purchaser set forth above. Any notice required or permitted to be given to Seller under this Contract must be mailed by United States regular mail, postage prepaid, to Seller at 649 East Sheridan Street, Dania Beach, Florida 33004. Any notice to Purchaser or Seller under this Contract, except as otherwise expressly provided hereinabove, shall be deemed given and delivered when mailed or personally delivered in the manner set forth in this Paragraph B.

C. Purchaser acknowledges and agrees that there will be a lien against the Dwelling Unit for any assessment due from the owner of the Dwelling Unit and not paid to the Association.

D. Florida Statutes, Section 404.056, requires the following notification:

**RADON GAS:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risk to persons who are exposed to it over time. Levels of radon that exceed Federal and State Guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

E. All prior understandings between the parties are superseded by and merged into this Contract, which constitutes the full, final and complete agreement between the parties. This Contract may not be changed or terminated orally and may be amended or modified only by an instrument in writing signed by Purchaser and an officer of Seller, and shall inure to the benefit of and shall be binding upon the parties hereto, their respective heirs, personal representatives, executors and assigns. No statements, inducements or representations made by Seller or Seller's agents, representatives or employees, shall in any way be binding on Seller and the same shall be of no force or effect unless expressly set forth in this Contract. Purchaser represents that he/she has not relied on any verbal or written statements, published by or under the authority of Seller in any advertising and promotional matter including, but not limited to, brochures, newspapers, and radio and television advertising, but has based his/her decision to purchase on personal investigation, observation and review of the Condominium Documents. This Contract may not be assigned, sold or transferred in whole or in part by Purchaser without the prior written consent thereto by Seller, which consent is in Seller's discretion and not unreasonably withheld. It is hereby acknowledged by the parties hereto that time shall be of the essence in connection with this transaction. This Contract shall be construed in accordance with the laws of the State of Florida. The captions and titles of the various sections of this Contract are for convenience and reference only and in no way define, limit, affect or describe the scope or intent of this Contract. All pronouns and variations thereof shall be construed so as to refer to the masculine, feminine, neuter, singular or plural form thereof as the identity of the person or persons, or as the situation may require. Purchaser acknowledges and agrees that the representations made to Seller hereunder are a material inducement to Seller to enter into this Contract and that such representations shall survive Closing. Purchaser shall not record this Contract amongst the Public Records of the County. Any such recording by Purchaser or anyone acting by, through or under Purchaser shall constitute a material breach by Purchaser of this Contract entitling Seller, at its election, to unilaterally terminate this Contract without the need to invoke the default provisions hereof.

F. Purchaser acknowledges that Seller or a company or other entity affiliated with Seller shall have the right to utilize all of the common elements of the Condominium in connection with the sale of dwelling units in this or in other projects or developments being developed by Seller or its affiliates.

G. By the execution hereof, Purchaser directs Escrow Agent to pay all monies received under this Contract by Escrow Agent to Seller at Closing.

H. Seller warrants that the Unit has not been occupied.

I. Pursuant to Florida Senate Bill 1286, effective as of May 27, 2003, Seller must provide this notice to Purchaser. Seller believes that the term "contractor" as used in this notice includes a developer of condominium units.

**FLORIDA LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST A CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR HOME. SIXTY DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR CONTRACTOR AND ANY SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND MAKE AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR OR ANY SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER FLORIDA LAW.**

## INDOOR AIR QUALITY ADDENDUM

### THIS ADDENDUM SHOULD BE READ AND UNDERSTOOD CAREFULLY

This Addendum to Contract for Purchase and Sale (the "Addendum") is executed in conjunction with and, by this reference, incorporated into the Contract for Purchase and Sale dated \_\_\_\_\_ between \_\_\_\_\_ ("Purchaser"), and SHERIDAN 58, LLC, a Florida limited liability company ("Seller"), for Unit \_\_\_\_\_ (the "Contract").

This Addendum contains important information on indoor air quality and what homeowners can do to minimize the risk for water intrusion and to help control indoor environmental contaminants such as mold. Seller is not an expert on mold and the information described in this Addendum has been obtained from various third party sources, including governmental agencies. However, there is continuing research and studies being conducted in the areas addressed by this Addendum and the accuracy of the information contained herein can change at anytime. Therefore, you, the Purchaser, should independently verify the information and latest developments, and seek additional information regarding any matter of concern to you. Additional information concerning moisture control, mold and your home can be obtained from the websites of organizations like the U.S. Environmental Protection Agency ("EPA"), the Center for Disease Control ("CDC"), and the U.S. Consumer Product Safety Commission, and in the booklet "A Brief Guide to Mold, Moisture, and Your Home" published by the EPA.

Public awareness of mold and the effects of mold on the indoor air quality in the home is increasing. Most homeowners are familiar with mold in at least some way, such as mold growth on food (such as bread or cheese) or mold growth in the bathroom (such as on bathroom tile). Seller wants you to be aware of what mold is, what you can do to minimize the chance of growth of mold in your home, and how you can minimize any negative impact on the indoor air quality of your home. Since you are living in your home and have sole responsibility for fully maintaining your home, you have the ability to identify early any condition which could potentially give rise to the growth of mold or otherwise affect the indoor air quality, and then take care of it before it causes any concern. Understanding what causes mold, together with the immediacy of responding to mold growth, is paramount.

Mold is a type of fungus and is found virtually everywhere indoors and outdoors. There are many different kinds of molds, the vast majority of which are not harmful to human health and which are necessary to our daily lives. Mold may appear in many colors, including black, white, green, orange and red. Every new home is constructed with products that include water, powders, solids and industrial chemicals. There are also many different types of indoor environmental contaminants such as pet dander, dust mites, and mold that people are exposed to. Residential home construction is NOT designed to, nor can it exclude, all mold spores and other contaminants. There is no practical way to eliminate all mold spores or other contaminants in an indoor environment. Mold spreads by means of microscopic spores borne on the wind. Since mold spores are in the air outside and are spread by the wind, mold spores may enter your home through open doorways, windows and other openings in your home. In addition, every time you walk into your home from the outside you bring mold and other substances into your home on your clothes, your pets and your personal belongings. Therefore, everyone is exposed to these contaminants on a daily basis, but most of the time without any evident consequence.

Mold naturally grows in the indoor environment, and is necessary for the natural decomposition of plant and other organic material. In order to grow, mold spores require a food source and sufficient moisture. Food sources could include building materials, such as drywall and baseboards, or other items in the home such as fabric, carpeting and wallpaper. Since the potential food source will always be present, you, the Purchaser, will be faced with the prospect of having to be sensitive to, and maintaining control over, sources of moisture in the home. Moisture can come from many sources including leaks, condensation, irrigation, spills, precipitation, and high humidity. The way you maintain your living environment in your home will also affect the indoor air quality of your home. Good housekeeping and home maintenance practices are essential in the effort to prevent mold growth. See "Prevention of Mold Growth: Homeowner Responsibilities" section below. The key to controlling indoor mold growth is to control the moisture. If moisture is allowed to remain on the growth medium, mold can develop within 24 to 48 hours.

Although the vast majority of molds are not known to cause health problems, some types have been shown to have adverse health effects in susceptible persons. Since sensitivities to various types of mold and contaminants differ from person to person, there have so far been no federal, state or local standards which tell us what are acceptable levels of exposure to mold. Experts disagree about the level of mold exposure that may cause health problems, and about the exact nature and extent of the health problems that may be caused by mold. The Center for Disease Control states that a causal link between the presence of toxic mold and serious health conditions has not been proven. The most common effects that have been reported, however, are hay fever-like allergic symptoms similar to those caused by plant pollen or

## INDOOR AIR QUALITY ADDENDUM

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animal dander (such as watery eyes, runny nose, coughing, skin irritation, sneezing, congestion, sore throat and headaches). Research on mold and its health effects is on-going and the list is not intended to be all-inclusive. Many of these conditions also have causes unrelated to the indoor environment. Therefore, it is currently unknown how many potential health problems, if any, relate exclusively to poor indoor air. Purchaser must determine for himself/herself whether Purchaser, Purchaser's family members or any other individuals who will occupy or use the home have special needs or may have increased risk to any of these conditions. Naturally, common sense dictates that you should consult your physician for any symptoms of concern to you.

**Prevention of Mold Growth: Homeowner Responsibilities.** Since microscopic mold spores exist everywhere naturally in our environment, mold cannot be prevented or removed entirely. Therefore, the best way to prevent mold growth is to eliminate excessive moisture in the home. It is important to know where water sources can occur and what you can do to prevent or avoid the introduction of water into the home, which can lead to the growth of mold. Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials such as drywall or wood. Dry all water damaged areas immediately to prevent mold growth. Visible mold must be removed immediately. You, the Purchaser, must take positive steps to eliminate excessive moisture in the home, and thereby prevent mold growth and any possible adverse effects that may be caused by mold growth. Homeowners' responsibilities include, but are not limited to, the following:

**Don't Bring Mold Home.** Before bringing items into the home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth. Even furniture and other personal belongings from other residences or storage facilities may have mold, so check these items as well prior to moving them into your home.

**Keep it Clean and Dry.** Regular vacuuming and cleaning will help reduce mold levels. Mild cleaning solutions are generally effective in eliminating or preventing mold growth. After cleaning carpets, make sure that the carpets are completely dry before replacing furniture. Do not close closet doors or otherwise enclose spaces until the carpets have completely dried out. Make sure shower curtains are not allowed to drip on the floor and that shower heads are not spraying out of the enclosure, both conditions which could saturate the flooring and cabinetry materials contributing to mold growth.

**Routine Maintenance and Inspection is a Must.** It is important that Purchaser regularly inspect and maintain the home, make arrangements for regular inspections of the home if no one will be in the home for any extended period of time. For example, regularly caulk windows, faucets, drains, tubs, showers, and other plumbing fixtures; repair cracks in the exterior stucco; maintain roofs and keep them in good repair; inspect for leaks on a regular basis; look for discolorations or wet spots; and inspect condensation pans in the air conditioners and refrigerators for mold growth. Be alert to musty odors, stains, and signs of mold. Purchaser should also periodically inspect window and slider tracks for blockages impeding the ability of moisture to drain through the weep holes, and clean window and slider tracks. Follow all manufacturer's instructions for the air conditioning system and other major appliances, and have them inspected, cleaned and serviced regularly by a qualified professional. In addition, regularly change the air filters, clean air conditioning coils, and clean and dry condensation pans and lines of the air conditioning system. Purchaser should also have the home repainted within three to five years following closing.

**Watch Humidity and Ventilate.** Keep the humidity (water vapor) in the home low. Ventilate kitchens and bathrooms by opening windows, using the pre-installed exhaust fans (do not disconnect them), and by running the air conditioning to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces. Moisture sources that increase indoor air humidity include, but are not limited to, steam from showers, baths, cooking, indoor plants, washing dishes, washing clothes, hanging wet clothes on indoor drying lines and humidifiers. Therefore, open doors between rooms to increase air circulation in the home including doors to closets to periodically ventilate enclosed spaces. Even an aquarium in the home can contribute to excess moisture.

**Exterior Landscaping and Irrigation.** The grading and drainage systems on your property are designed to direct water away from the home. Purchaser understands and agrees that any changes made to the contour of the land as a result of landscaping the front, side or rear yards could alter this design, cause water to be directed towards (instead of away from) the home, and result in mold growth. Purchaser should be sure to landscape so that water continues to be directed away from the home. Regular inspection and maintenance must be performed to keep any drainage devices free from dirt and obstructions. Irrigation systems should also be set to spray water away from the home, and should be checked regularly to be sure the sprinklers are not spraying water onto the house, thereby saturating the stucco substrate.

**Mold Cleanup.** If mold is found, it must be removed and the source of the water must be eliminated immediately. The measures taken to initiate the clean up process are dependent on the extent of the problem. According to the EPA, if the affected area is less than about 10 square feet (less than roughly a 3 ft. by 3 ft. patch), in most cases it can be taken care

**INDOOR AIR QUALITY ADDENDUM**

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of by the homeowner by thoroughly cleaning with a mild cleaning solution. If the affected area is greater than about 10 square feet or the homeowner does not think they can manage the cleanup themselves, a professional who has experience in cleaning mold in homes should be contacted. Since moisture control is the key to minimizing the risk of mold growth, it is important that Purchaser immediately report to Seller any signs of leaks or abnormal amounts of moisture accumulating in sections of the home relating to the original construction of the home, such as leaks from the roof, plumbing, windows, or sliding glass doors. While Seller does not anticipate that Purchaser will experience any such conditions, in the unlikely event that such a leak or abnormal amount of moisture should occur, Purchaser must report it to Seller without delay so that Seller can appropriately assess the source of leak or water intrusion. Purchaser hereby understands that mold grows very quickly, and can start growing anywhere from 24 to 48 hours after the introduction of water. Accordingly, time is of the essence for Purchaser to act.

**DISCLAIMER, RELEASE AND WAIVER.** All claims against Seller for secondary, incidental and consequential damages are specifically excluded and disclaimed, and Purchaser relinquishes and waives any and all rights Purchaser may have to any such damages. Without limiting the generality of the foregoing, Purchaser expressly understands and agrees that Seller will not be responsible for, and hereby knowingly and voluntarily releases and discharges Seller (and Seller's partners, affiliates, agents, successors and assigns) from and against any and all damages whatsoever caused by or resulting from the growth of mold in the home, whether or not associated with defects in construction of the home including, but not limited to, property damage, loss of use, loss of value, loss of personal injury, adverse health effects, loss of income, emotional distress, death, and/or any other effects. As provided in Section VIII of the Standard Provisions of the Contract, except only for the Sole Warranties: (i) there are no warranties (express or implied) provided to Purchaser in connection with the home, and (ii) Purchaser knowingly and voluntarily relinquishes and waives, and Seller hereby expressly disclaims, any and all warranties (express or implied) as to the home and the other property which is the subject of the Contract, whether arising from custom, usage of trade, course of dealing, case law or otherwise, including, but not limited to, any implied warranty of habitability, any implied warranty of merchantability or any implied warranty of fitness for any intended or particular purpose.

I/we understand and acknowledge that we have received, reviewed and fully understand this Addendum (including, without limitation, our obligations with respect to home ownership) and have fully considered them in making my/our purchase decision. I/we agree to comply with the provisions of this Addendum. This Addendum shall survive Closing and at Seller's option, the terms of this Addendum may be included in the deed of conveyance delivered to Purchaser at closing.

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