

DECLARATION OF CONDOMINIUM
NORMANDY PALMS CONDOMINIUM
DADE COUNTY, FLORIDA

NORMANDY PALMS, INC., a Florida Corporation, makes the following Declarations.

1. INTRODUCTION AND SUBMISSION.

1.1 The Land. The Land, owned in fee simple by Developer, located in the City of Miami Beach, Dade County, Florida described in Exhibit "1" attached hereto ("Land").

1.2 The Improvements. Three (3) story multi-unit building containing sixteen (16) residential Condominium Units, together with all Common Elements and improvements appurtenant thereto.

1.3 Submission Statement. Developer submits the Land and the Improvements, all easements, rights and appurtenances and all other property, real, personal or mixed, intended for use in connection therewith, to the condominium form of ownership and use in the manner provided by the Florida Condominium Act, Chapter 718, Florida Statutes as it exists on this date.

1.4 Name. The name by which this condominium is to be identified is: NORMANDY PALMS CONDOMINIUM ("Condominium").

2. DEFINITIONS. The following terms when used in this Declaration and in its exhibits, as they may hereafter be amended, shall have the meaning indicated in this Article, except when the context clearly indicates a different meaning. All other terms used in this Declaration shall be assumed to have the meaning attributed to said terms by the Condominium Act, except when the context clearly indicates a different meaning.

2.1. "Act" means the Condominium Act (Chapter 718, Florida Statutes) as it exists on this date.

2.2 "Articles" means the Articles of Incorporation of the Association attached as Exhibit 7, as they may be amended from time to time.

2.3 "Assessments" means a share of the funds required for the payment of Common Expenses (but shall not include items specifically excepted from Common Expenses) which from time to time are assessed against a Unit Owner.

2.4 "Association" means NORMANDY PALMS CONDOMINIUM ASSOCIATION, INC. a Florida corporation, the entity responsible for the operation of the Condominium.

2.5 "Board of Directors" or "Board" means the Board of Directors of the Association.

2.6 "Building" means the structure on the Condominium Property in which the Units are located.

2.7 "By-Laws" means the By-Laws of the Association attached as Exhibit 6, as they may be amended from time to time.

2.8 "Common Elements" means and includes:

(a) those portions of the Condominium Property not included within the Units and not designated as Limited Common Elements;

(b) easements through Units for conduits, pipes, ducts, plumbing, wiring

and other facilities for the furnishing of Utility Services and other services to Units and the Common Elements;

- (c) an easement of support in every portion of a Unit which contributes to the support of the Building;
- (d) the property and installation required for the furnishing of Utility Services and other services to more than one Unit or to the Common Elements;
- (e) all personal property held and maintained for the joint use and employment of all the Owners of all such Units;
- (f) all load bearing walls or columns located within Units constitute Common Elements to the unfinished surface of such wall or columns;
- (g) easements for overhanging troughs or gutters, downspouts, and the discharge therefrom of rainwater and the subsequent flow thereof over Condominium Units or any of them; and
- (h) any other parts of the Condominium Property designated as Common Elements in this Declaration.

2.9 "Common Expenses" means all expenses incurred by the Association for the Condominium, including, without limitation:

- (a) expenses of operation, maintenance, repair or replacement of the Common Elements;
- (b) costs of carrying out the powers and duties of the Association;
- (c) expenses of administration and management of the Condominium Property; and
- (d) any other expenses designated as Common Expenses by the Act, this Declaration or the By-Laws.

The term "Common Expenses" shall not include expenses incurred, if any, relating to payment of legal or other fees incurred for the purpose of suing Developer or for the purpose of making, preparing or investigating claims against Developer or matters which may result in such claims.

2.10 "Common Surplus" means the excess of all 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 and above the amount of money expended as Common Expenses.

2.11 "Condominium Parcel" means a Unit, together with the undivided share in the Common Elements which is appurtenant to that Unit. When the context permits, the term includes all other appurtenances to the Unit.

2.12 "Condominium Property" means the lands, the improvements, all easements and rights appurtenant thereto intended for use in connection with the Condominium and all other property, real, personal and mixed made subject to this Declaration.

2.13 "County" means the County of Dade, State of Florida.

2.14 "Declaration" or "Declaration of Condominium" means this instrument, as it may be amended from time to time.

2.15 "Developer" means NORMANDY PALMS, INC. a Florida corporation qualified to do business in the State of Florida.

2.16 "Improvements" means all structures and artificial changes to the natural environment (exclusive of landscaping) located on the Condominium Property, including, but not limited to, the Building.

2.17 "Institutional Mortgagee" means any of the following holding a first mortgage on a Unit: a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing fund, an agency of the United States government, mortgage banker, credit union, any other lender generally recognized as an institutional-type lender, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any entity controlling, controlled by or under common control with any of the foregoing or Developer, or assignee, nominee, or designee of Developer.

2.18 "Limited Common Elements" means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units, and the Limited Common Elements described in Section 3.3 of this Declaration.

2.19 "Management Agreement" means and refers to that certain agreement attached as Exhibit "8", which provides for management of the Condominium Property.

2.20 "Manager" means and refers to GLOBAL REALTY & MANAGEMENT, INC., its successors and assigns, identified as manager in the Management Agreement. The manager shall be responsible for the management of the Condominium Property as provided in the Management Agreement.

2.21 "Person" means an individual or individuals, firm, corporation, partnership, association, trust or other legal entity or any combination of any of the foregoing.

2.22 "Primary Institutional Mortgagee" means the Institution Mortgagee which owns at any time mortgages on Units securing a greater aggregate indebtedness than is owed to any other Institutional Mortgagee.

2.23 "Unit" means a part of the Condominium Property which is subject to exclusive ownership.

2.24 "Unit Owner(s)" or "Owner(s)" means the owner(s) of one or more Condominium Parcels.

2.25 "Utility Services" includes but are not limited to, electric power, water, gas, heating, air conditioning, trash removal, sewerage, master antenna, cable television, telephone and security systems.

3. DESCRIPTION OF CONDOMINIUM.

3.1 Identification of Units. The Condominium Property includes a Building containing sixteen (16) Units. Each Unit is identified by a separate numerical or alpha-numerical designation. The designation of each Unit is set forth on Exhibit "2". Exhibit "3" consists of a survey of the Land, a graphic description of the Improvements, including, but not limited to, the Building in which the Units are located, and a plot plan thereof. Exhibit "3" together with this Declaration identify the Common Elements and each Unit and the relative locations and approximate dimensions of each. There shall pass with a Unit as appurtenances thereto (a) an undivided share in the Common Elements and Common Surplus; (b) the exclusive right to use such portion of the Common Elements as may be provided in this Declaration; (c) an exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, provided that an easement in airspace which is vacated shall be terminated automatically; (d) membership in the Association; and (e) other appurtenances as may be provided in this Declaration.

3.2 Unit Boundaries: Each Unit shall include a fee simple interest in the part of the Building lying within the boundaries of the Unit, which boundaries are as follows:

(a) Upper and Lower Boundaries: The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:

(i) Upper Boundaries - the horizontal plane of the unfinished lower surface of the structural ceiling of the Unit.

(ii) Lower Boundaries - the horizontal plane of the unfinished lower surface of the structural ceiling of the Unit.

(b) Perimetrical Boundaries: The perimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries.

(c) Apertures: Where there are apertures in any boundary, including, but not limited to, windows, doors, conversation pits and skylights, such boundaries shall be extended to include the interior unfinished surfaces of such apertures, including all frameworks thereof. Exterior surfaces made of glass or other transparent material, and all framing and casings, shall be included in the boundaries of the Unit and shall not be deemed a Common Element.

3.3 Limited Common Elements: The Limited Common Elements shall consist of:

(a) Spaces Created by Combining Units: If any part of a wall or floor separating two Units is removed in accordance with the provisions contained elsewhere in this Declaration, the space created by the removal shall be a Limited Common Element appurtenant to those Units.

(b) Utility Services: Any utility services including but not limited to plumbing, electrical, telephone, etc., serving less than all the Units shall be deemed a Limited Common Element appurtenant to the Units served. Limited common elements shall be maintained by those entitled to use the limited common element.

3.4 Easements: The following easements are hereby created (in addition to any easements created under the Act):

(a) Support: An easement of support and of necessity is reserved for the benefit of each Unit and the Common Elements and each Unit shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

(b) Utility Services and Other Services; Drainage: Easements for Utility Services, other services and drainage are reserved under, through and over, the Condominium Property as may be required from time to time for all or portions of the Condominium Property. An Owner shall do nothing within or outside his Unit that interferes with or impairs, or may interfere with or impair, the provisions of such Utility Services, other services or drainage facilities, or the use of these easements. Drainage systems on the Condominium Property shall be maintained continuously in good condition by the Association or its designee and easements are hereby granted over all Condominium Parcels in favor of all Unit Owners and the Association with respect thereto, provided that such easement shall not unreasonably interfere with the Unit Owner's permitted use of his Unit. Such easements shall be for the use and benefit of Owners, mortgagees or tenants, and those claiming by, through or under the aforesaid.

(c) Encroachments: An easement is created for the existence and maintenance of any encroachment (i) by any portion of the Common Elements upon any Unit, (ii) by any Unit upon any other Unit or upon any portion of the Common Elements, or (iii) occurring as a result of (A) construction of the Improvements, (B) settling or shifting of the Improvements, (C) any alteration or repair to the Common Elements made by or with the consent of the Association, or (D)

any repair or restoration to the Improvements or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings. Such easements shall continue for so long as the Improvements shall stand.

(d) Ingress and Egress. A non-exclusive easement is created in favor of each Unit Owner, occupant, tenant, their guests and invitees, mortgagees, and those claiming by, through or under the aforesaid, for pedestrian traffic over, through and across sidewalks, streets, paths, walks, other rights of way and other portions of the Common Elements as from time to time may exist and be intended and designated for such purpose and use; and for vehicular and pedestrian traffic, and for guest vehicular parking, over, through and across such portions of the Common Elements as may, from time to time, be paved and intended for such purposes. Any lien or leasehold encumbering the easement described in this Section 3.4(d) (other than those on any Condominium Parcel) shall automatically be subordinate to the rights of Unit Owners with respect to such easement.

(e) Construction; Maintenance. Developer (including its designees, contractors, successors and assigns) shall have right, in its sole discretion, from time to time, to enter the Condominium Property and take all other action necessary or convenient for the purpose of completing the construction or remodeling of the Condominium Property. The Association (including its designees and contractors) shall have the right from time to time to enter the Condominium Property, including the individual Units, and to perform the Repairs and Alterations which may be performed by the Association pursuant to Articles 6 and 7. Any activity described in this paragraph shall not prevent or unreasonably interfere with the reasonable use or enjoyment by Unit Owners of the Units for dwelling purposes.

(f) Sales Activity. For as long as there are any unsold Units, Developer, its designees, successors and assigns, shall have the right to (i) use any such Units and parts of the Common Elements for model apartments and sales offices, (ii) show model apartments and the Common Elements to prospective purchasers and tenant of Units, (iii) erect signs and other promotional material on the Condominium Property advertising Units for sale or lease, and (iv) take any and all actions which, in Developer's opinion, may be helpful for selling or leasing Units or promoting the Condominium Property generally.

(g) Additional Easements. Developer (so long as Developer owns any Units) and the Association, on its behalf and on behalf of all Unit Owners (each of whom irrevocably appoints Developer and the Association as Owner's attorney-in-fact for this purpose), each shall have the right to grant additional easements for access or Utility Services, and to relocate any existing easements or drainage facilities in any portion of the Condominium Property, as Developer or the Association shall deem necessary or desirable for the proper operation and maintenance of the Condominium Property, or any portion thereof, or for the general health or welfare of the Unit Owners, or for the purpose of carrying out any provisions of this Declaration or otherwise. Such easements or the relocation of existing easements shall not prevent or unreasonably interfere with the reasonable use of the Units for dwelling purposes.

(h) Covenant. All easements, of whatever kind or character, whether heretofore or hereafter created, shall constitute a covenant running with the Land, shall survive the termination of the Condominium, and, notwithstanding any other provisions of this Declaration, may not substantially amended or revoked in a way which would unreasonably interfere with its property and intended use and purpose.

(i) Other Easements. There currently exists an access easement on the north property line allowing access to the building entrances from the north.

4 COMMON ELEMENTS, COMMON SURPLUS AND COMMON EXPENSES

4.1 Common Elements. Each of the Unit Owners shall own an undivided share, stated as a percentage, in the Common Elements appurtenant to his Unit. This percentage has been based upon the total square footage of each Unit in uniform relationship to the total square footage of each other Unit in Condominium. The actual percentages of the Common Elements appurtenant to each Unit are set forth in Exhibit "4" attached hereto.

4.2 Common Surplus Each Unit Owner shall own any Common Surplus of the Condominium in the same percentages as the Common Elements appurtenant to each Unit are shared, as set forth in Exhibit "4" hereto. This ownership, however, does not include the right to withdraw or require payment or distribution of the same.

4.3 Common Expenses The common Expenses of the Condominium shall be shared by the Unit Owners in the same percentage as the Common Elements appurtenant to each Unit are shared. The foregoing ratio of sharing Common Expenses and Assessments shall remain, regardless of the current or future purchase price of the Condominium Units, their locations, or the Building square footage included in each Condominium Unit.

4.4 Restraint Upon Separation and Partition of Common Elements The undivided share in the Common Elements and Common Surplus which is appurtenant to a Unit, and, except as otherwise provided in this Declaration, the exclusive right to use all appropriate appurtenant Limited Common Elements: (a) shall not be separated from the Unit, whether or not separately described and (b) shall remain undivided and cannot be conveyed or encumbered except together with the Unit. No action for partition of the Common Elements, the Condominium Property, or any part, shall lie, except as provided upon termination of the condominium.

5. AMENDMENTS Except as specifically otherwise provided, this Declaration may be amended only as follows:

5.1 By the Association Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which it will be considered. A resolution to adopt the amendment may be proposed either by a majority of the Board of Directors or by not less than ten (10%) percent of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, an amendment may be adopted and approved by:

- (a) Not less than 66-2/3% of the Board of Directors and not less than 67% of all Unit Owners; or
- (b) Not less than 80% of all Unit Owners.

Proviso: Provided, however:

Approval of amendments of a material nature must be obtained from Institutional Mortgagees who represent at least 51% of the votes of Units that are subject to Institutional Mortgages.

5.2 By Developer Until Developer has sold all of the Units, Developer shall have the right (i) to make amendments necessary to combine Units together to form a single Unit provided that the percentage ownership in the Common Elements, Common surplus, sharing in the Common Expenses and voting rights of the other Unit Owners is not affected; (ii) to contribute any portion of any Unit or Units owned to the Common Elements and make any amendments required in connection therewith and the cost of maintaining such additional Common Elements shall become a Common Expense to be borne by all Unit Owners in proportion to their percentage ownership of the Common Elements; and (iii) to unilaterally amend this Declaration to alter the name of the Condominium to any other name that Developer, in its sole discretion, may deem appropriate. If more than one Unit is combined to form a single Unit, the percentage of sharing in the Common Expenses, Common Surplus and ownership of the Common Elements for the resulting Unit shall be the aggregate of the percentages for each Unit so combined. Any amendment made in accordance with this paragraph shall require the approval of the unit owner, mortgagee, lien holders and a majority of all unit owners.

5.3 Execution and Recording An amendment, other than amendments made solely by Developer pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association identifying the Declaration with its recording data. The certificate shall be executed in the form required for the execution of a deed. Amendments which may be made solely by Developer

shall be made by written instrument in recordable form but no association action is required. Any such amendment of the Declaration is effective when recorded in the Public Records of the County.

5.4 Restrictions on Amendments.

(a) Proposals to amend this Declaration shall contain the full text of the provision to be amended; new words shall be indicated by underlining and deletions shall be indicated by lining through the material to be deleted with hyphens. No amendment may be proposed or adopted by the Association solely by reference to the title of the provision being amended. If a proposed change is so extensive that the procedure set forth in this Section 5.4(a) would hinder, rather than assist, the understanding of the proposed amendment, it shall not be necessary to use underlining and hyphens as indicators of 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 Section - for present text." Non-material errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment.

(b) Except as specifically otherwise provided in this Declaration, no amendment shall (i) change the configuration or size of any Unit in any material fashion, (ii) materially alter or modify the appurtenances to any Unit, or (iii) change the percentage by which the Unit Owner shares the Common Expenses and owns the Common Elements and Common Surplus, unless in any such case all affected record Owners, mortgagees and other lien holders join in the execution of the amendment. No amendment may eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, mortgagees of Units without the consent of Developer or such mortgagees in each instance. The Sections entitled "Reconstruction or Repair after Casualty" and "Condemnation" shall not be modified unless each mortgagee of record shall join in the amendment. Any amendment made in accordance with this paragraph shall require the approval of the unit owner and a majority of all unit owners.

(c) No amendment that would be detrimental to the sale of Units by Developer shall be made or be valid so long as Developer is the Owner of any Unit within the Condominium unless the approval of the Developer is expressly noted in writing.

5.5 Scrivener's Errors

(a) If through Scrivener's error all of the Common Expenses or interest in the Common Surplus or all of the Common Elements have not been distributed in this Declaration so that the sum total of the shares of Common elements which have been distributed or the shares of Common Expenses or ownership of Common Surplus fails to equal 100%, or, through error, more than 100% of the Common Elements or Common Expenses or ownership of the Common Surplus shall have been distributed; or, if through scrivener's error, a Condominium parcel has not been designated an appropriate undivided share of the Common Element, Common Expenses or Common Surplus; or, if there is an omission or error in this Declaration or in any of the related documents required by law to establish this Condominium, the Association may correct the error and/or omission by an amendment to this Declaration and/or any related documents by simple resolution of the Board of Directors approved by a majority of the Board or by a majority vote of the Unit Owners voting at a meeting of the Association called at least in part for the purpose, at which a quorum is present. Any amendment approved pursuant to this Section which modifies the shares of Common Expenses, Common Elements or Common Surplus appurtenant to one or more Units, shall not be effective unless Owners of and holders of liens upon the Units affected consent in writing to the amendment. For the purpose of this Section and Section 5.2(b), no Unit Owner's property rights shall be deemed to be materially adversely affected nor shall his share of the Common Elements, Common Expense or Common Surplus be deemed modified by reason of the modification of the shares of Common Expense, Common Elements or Common Surplus appurtenant or attributable to another Unit.

(b) Notwithstanding anything to the contrary contained in this Declaration, Developer expressly reserves the right to amend the Declaration so as to correct any legal description contained herein, which legal description or descriptions may have been incorrect by reason of a scrivener's or surveyor's error. Developer may amend this Declaration as aforescribed by filing an amendment to the Declaration among the Public records of Dade County, Florida, which amendment

(or amendments) shall expressly describe that legal description which is being corrected (by reference to the exhibit containing said legal description or otherwise), in addition to the corrected legal description. Such amendments need be executed and acknowledged only by Developer and need not be approved by the Association, Unit Owners, lienor or mortgagees of Units of the Condominium whether or not elsewhere required for amendments. As part of any such amendment as provided for in this subparagraph, however, there shall be attached thereto an affidavit of the individual or individuals responsible for the original incorrect legal description, whether he be scrivener or surveyor, which affidavit shall set forth (1) that said individual made an error in the legal description, (2) that the error is corrected by the description contained in the amendment, and (3) that it was the intent at the time of the incorrect original legal description to make that description such as is contained in the new amendment. In the event the party responsible for the original incorrect legal description has died, or is not available, then in that event, any other party having personal knowledge of the incorrect legal description by reason of the scrivener's or surveyor's error may execute the required affidavit for the amendment provided herein.

6. MAINTENANCE AND REPAIRS. The responsibility for all maintenance, repairs and replacements (collectively "Repairs") to the Condominium Property and restrictions upon its alteration and improvement shall be as follows:

6.1 By the Association The Association shall make all Repairs, at the Association's own expense to:

- (a) All Common Elements.
- (b) All portions of Units (except interior wall surfaces) which contribute to the support of the Building, which portions shall include, but not be limited to, the outside walls of the Building and load bearing columns.
- (c) All conduits, ducts, plumbing, air conditioning ducts and conduits, wiring and other facilities for the furnishing of Utility Services which are contained in the portions of the Unit contributing to the support of the Building or within interior boundary walls, and all such facilities contained within a Unit which service part or parts of the Condominium other than the Unit within contained.
- (d) All property owned by the Association.
- (e) All incidental damage caused to a Unit by the above work.

6.2 By the Unit Owner. The responsibility of the Unit Owner shall be as follows:

- (a) To Repair, at his expense, all portions of the Unit except the portions to be maintained, repaired and replaced by the Association pursuant to Section 6.1 above. Notwithstanding the provisions of Section 6.1 above, included within the responsibility of the Unit Owner shall be windows, screens and doors opening into or onto his Unit. All such Repairs shall be done without disturbing the rights of other Unit Owners.
- (b) Each Unit Owner shall be and is the sole owner of his Condominium Unit's heating and air conditioning unit, including without limitation the fan, fan motor, thermostat and thermometer, which components are located inside or adjacent to his Condominium Unit. Accordingly, Unit Owners shall maintain, repair and replace, at their own expense, any such portions of such systems in need thereof. Notwithstanding the foregoing, Unit Owners shall not be responsible for such conduits and ducts as are described in Section 6.1(c) hereof.
- (c) Within the Unit, to maintain, repair, and replace at his expense, all fans, stoves, refrigerators, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage, and sanitary service to his Unit.
- (d) No Unit Owner shall paint or otherwise decorate or change the appearance of

any portion of the exterior of the Building.

(e) To promptly report to the Association any defects or need for Repairs, the responsibility for the remedy of which is that of the Association.

(f) No Unit Owner shall make any alterations in the portions of the Building which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do any work which would jeopardize the safety or soundness of the Building, or impair any easement, without first obtaining approval from the Board of Directors of the Association.

6.3 Common Elements. Except as otherwise provided, the Association shall make all Repairs to the Common Elements (other than Limited Common Elements). The cost of such Repairs shall be charged to all Unit Owners as a Common Expense except to the extent arising from or necessitated by the negligence, misuse or neglect of any specific Unit Owner, in which case such cost shall be charged to and paid solely by such Unit Owner.

7. ADDITIONS, ALTERATIONS OR IMPROVEMENTS.

7.1 By the Association. Any additions, alterations or improvements (collectively "Alterations"), as distinguished from repairs and replacements, costing in excess of \$5,000.00 in the aggregate in any calendar year, shall be made by the association only after the prior approval of a majority of the Units represented at a meeting at which a quorum is attained. Any Alterations to the Condominium Property costing in the aggregate \$5,000.00 or less in a calendar year may be made by the Board without approval of the Unit Owners. The costs of any such Alterations shall constitute Common Expenses and shall be assessed to the Unit Owners.

7.2 By Unit Owners.

(a) In General. A Unit Owner shall not make any Alterations in or to the Common Elements, such Owner's Unit or any Limited Common Elements, including, without limitations, installations of awnings on balconies and changes or additions to the plumbing, electrical, heating or air conditioning systems, without obtaining the prior written consent of the Board of Directors, which consent shall not be unreasonably withheld. An Owner shall not make any Alterations which would remove any portion of, or make additions to, or adversely affect the safety or soundness of the Common Elements or any portion of the Condominium Property maintained by the Association. The Board shall be deemed to have consented to a request if it fails to take any action within 30 days after the later of (i) receipt in writing of such request, or (ii) receipt of all additional information in writing requested by the Board within such 30 day period. Any alterations by an Owner shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction and with any conditions imposed by the Association relating to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. Any Owner making or causing to be made any such Alterations shall be deemed to have agreed, for such Owner and Owner's heirs, personal representatives, successors and assigns, to hold the Association and all other Owners harmless from any liability, cost, expense, or damage to the Condominium Property, or to any person, arising therefrom (including, without limitations, any damage to the roof, whether direct or indirect), and to be solely responsible for the maintenance, repair and insurance of such Alterations from and after that date of installation or construction as may be required by the Association.

(b) Combining Units. A Unit Owner who owns two immediately adjacent Units may, at the Owner's own expense, combine the two Units to form one dwelling by removing all or a part of the wall or walls separating the Units, as if such combination were a change to be effected pursuant to Section 7.2(a). The Unit Owner shall give written notice of such combination prior to undertaking and work thereon and an amendment shall be required for approval. Any amendment made in accordance with this paragraph shall require the approval of the unit owner, mortgagee, lien holders and a majority of all unit owners. Such reconfiguration shall not in any material way (a) interfere with any other Unit Owner's use and enjoyment of his Condominium Parcel, (b) impair the Building's structural soundness, (c) impair Utility Services to any Unit, (d) change the Building's

exterior appearance, or (e) violate any applicable law or ordinance. Notwithstanding the absence of the need for Board approval, a Unit Owner combining two or more Units shall otherwise comply with Section 7.2(a) of this Declaration. Any Unit so combined shall continue to be treated as separate Units for the purposes of this Declaration and no amendment to this Declaration shall be required for any such changes. A Unit Owner who combines two or more Units may at any time, provided he complies with the prior notice and other requirements of this Section 7.2(b), restore the original wall or walls in their original location and shall be required to do so before conveying one of the Units without the other or before conveying the Units to different parties.

7.3 By Developer. The provisions of Section 7.1, and 7.2 shall not apply to Developer and any Units owned by Developer. Developer shall have the right, without consent or approval of the Board of Directors or other Unit Owners, to (i) make Alterations, structural and nonstructural, interior and exterior, ordinary and extraordinary, in any Unit owned by Developer (including, without limitation, the removal of walls, floor, ceilings and other structural portions of the Improvements), (ii) change the layout or number of rooms in any Units owned by Developer, (iii) combine separate owned Units into one dwelling, whether such Units are adjacent to each other or upstairs/downstairs from each other. Any Unit so combined shall continue to be treated as separate Units for the purposes of this Declaration and an amendment to this Declaration shall be required for any such changes. Developer shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in making any Alterations to Units owned. The provisions of this Section 7.3 may not be modified without the prior written consent of Developer. Any amendment made in accordance with this paragraph shall require the approval of the unit owner, mortgagee, lien holders and a majority of all unit owners.

8. OPERATION OF THE CONDOMINIUM BY THE ASSOCIATION.

8.1 Power and Duties. The affairs of the Condominium shall be conducted by a corporation incorporated pursuant to the Florida Statutes governing corporations not for profit. The name of the corporation to conduct the affairs of the Condominium shall be NORMANDY PALMS CONDOMINIUM ASSOCIATION.

The By-Laws of the Association are attached hereto as Exhibit "6". A copy of the Articles of Incorporation of the Association is attached hereto as Exhibit "7".

All Unit Owners shall automatically be members of the Association, and such membership shall automatically terminate when such Persons have divested themselves of such interest.

An Owner or Owners of a single Condominium Unit shall collectively be entitled to one (1) vote which vote shall be cast by the voting Owner. If a Unit is owned by one person, his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit filed with the secretary of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the president or the vice-president and attested by the secretary or the assistant secretary of the said corporation, and filed with the secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked by any Owner thereof. Failure by all Owners of any Unit to file the aforementioned certificate with the secretary prior to or at a meeting will result in depriving such Owners of a vote at such meeting.

A person or entity owning more than one Condominium Unit may be designated as a voting member of each such Condominium Unit which it or he owns. Developer shall be deemed an Owner and voting member of and for each Condominium Unit owned by Developer.

All the affairs, policies and regulations and properties of the Association shall be controlled and governed by the Board of Directors of the Association.

The Association shall be responsible for the operation of the Condominium. The powers and

duties of the Association shall include those set forth in the By-Laws and Articles. In addition, the Association shall have all the powers and duties set forth in the Act and in this Declaration, including, without limitation:

- (a) The irrevocable right of access to each Unit during reasonable hours when necessary for maintenance, repair or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units.
- (b) The power to make and collect Assessments and other charges and surcharges against Unit Owners and to maintain, repair and replace the Common Elements.
- (c) The duty to maintain accounting records according to good accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at such reasonable times as may be established from time to time by the Board.
- (d) The power to enter into contracts with others (whether or not affiliated with the Association or Developer), for valuable consideration, for maintenance and management of the Condominium Property and, in such connection, to permit others to make and collect Assessments and other charges against Unit Owners, and perfect liens for non-payment thereof on behalf of the Board.
- (e) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security mortgages and security interests in property owned by the Association, provided that such actions are approved by a majority of the Board of Directors and of Owners represented at a meeting at which a quorum has been attained, or by such greater percentage of the Board or Unit Owners as may be specified in the By-Laws with respect to certain borrowing.
- (f) When authorized by a majority of the Owners represented at a meeting at which a quorum has been attained, the power to acquire and enter into agreements for the acquisition of fee interests, leaseholds, memberships and other possessory or use interest in lands or facilities, including, but not limited to, country clubs, golf courses, marinas and other recreational facilities and parking areas, whether or not contiguous to the lands of the Condominium, intended to be provided for the use or benefit of Unit Owners (whether or not on an exclusive basis). The expenses of ownership (including the expense of making and carrying any mortgage related to such ownership), rental, membership fees, operation, replacements and other expenses and undertakings in connection therewith shall be common Expenses.
- (g) The power to adopt and amend rules and regulations covering the details of the operation and use of the Condominium Property.
- (h) The power to (i) grant bills of sale for items of personal property owned or governed by the Association and (ii) take any other action on behalf of itself and all Owners (as attorney-in-fact for all Owners) to satisfy any requirement of a company or governmental agency to which equipment, facilities or materials used in connection with Utility Services are to be transferred.
- (i) The duty to notify Unit Owners within a reasonable time of the institution of any action or proceeding against the Association in which the Association may be exposed to liability in excess of insurance coverage; any Unit Owner shall have the right to intervene in and furnish additional defenses for the Association.
- (j) Under Section 718.111(7)(b), and subject to the provisions of Section 718.112(2)(n), the Association, through its board, has a limited power to convey a portion of the common elements to a condemning authority for the purposes of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

In the event of conflict between the powers and duties of the Association or otherwise, the Declaration shall take precedence over the Articles, By-Laws and applicable rules and regulations;

the Articles shall take precedence over the By-Laws and applicable rules and regulations; and the By-Laws shall take precedence over applicable rules and regulations.

8.2 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Common Elements of the Condominium Property, the Association shall not be liable to Unit Owners for injury or damage, other than the cost of maintenance and repair caused by any latent condition of the Common Elements of the Condominium Property.

8.3 Restraint Upon Assignment of Shares in Assets. An Owner's share in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to such Owner's Unit.

8.4 Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same individual who would cast the vote for the Unit if at an Association meeting, unless the joinder of record Owners is specifically required by the Declaration or By-Laws.

8.5 Acts of the Association. Unless otherwise specifically provided to the contrary in this Declaration, the Articles or By-Laws, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Directors, without the consent of Unit Owners, and the Board may so approve and act though the proper officers of the Association without a specific resolution. Whenever an approval or action of the Association is to be given or taken, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

9. ASSESSMENTS.

9.1 Determination of Common Expenses and Assessments. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of Common Expenses and the amount of the Assessments payable by the Unit Owners to meet the Common Expenses and allocate and assess such expenses among the Owners in accordance with the provisions of this Declaration and the By-Laws. The Board, promptly following its determination, shall advise all Owners in writing of the amount of the Assessments payable by each owner and shall furnish copies of each budget, on which such Assessments are based, to all Owners and (if requested in writing) to their respective mortgagees. Except as provided by the Act, any reserve funds or working capital contributions may be used as the Board shall determine from time to time and need not be restricted to replacements or otherwise. Any budget adopted may be changed at any time to cover actual expenses. Any such change shall be adopted consistent with the provisions of the By-Laws.

9.2 Liability for Payment. Each Unit Owner, regardless of the manner in which title is acquired, including, without limitation, by purchase at a foreclosure sale or by Deed in lieu of foreclosure, shall be liable for all Assessments due with respect to that Unit while an Owner. Except as otherwise indicated in this Article, a unit owner is jointly and severally liable with the previous owner for all unpaid Assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments are made or otherwise.

9.3 Interest on Unpaid Assessments. Assessments which are paid within 10 days after due date shall not bear interest. Assessments and installments that are unpaid for over ten (10) days after the due date shall be subject to an administrative late charge of twenty-five (\$25.00) per month and bear interest at the highest rate allowed by law from the due date until paid. The administrative late charge of twenty-five (\$25.00) Dollars per month may be reimposed by the Board of Directors for each month the assessment and/or installment, or any portion thereof, remains unpaid.

9.4 Lien for Assessments. The Association shall be entitled to a lien against a Condominium Parcel to secure the payment of Assessments. The Association shall further be entitled to interest at the highest rate allowed by law on any such advances made for such purpose. Except as otherwise provided in Florida Statutes Section 718.116 and as set forth below, the lien is effective from and shall relate back to the original Declaration of Condominium or in the case of lien on a parcel located in a Phase Condominium, the last to occur of the recording of the original Declaration or Amendment thereto creating the parcel. However, as to first mortgages of record, the lien is effective from and after recording of a Claim of Lien in the Public Records of the county in which the condominium parcel is located. Nothing in this Subsection shall be construed to bestow upon any lien, mortgage or certified judgment of record on April 1, 1992, including the lien for the unpaid Assessments created herein, priority by which, by law, the Lien, Mortgage or Judgment did not have before that date. To be valid, a Claim of Lien must state the description of the condominium parcel, the name of the record owner, the name and address of the Association, the amount due, and the due dates. It must be executed and acknowledged by an officer or authorized agent of the Association. No such lien shall be effective longer than one year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The one year period shall automatically be extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel. The Claim of Lien shall secure all unpaid Assessments which are due and which may accrue subsequent to the recording of the Claim of Lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the Association incident to the collection process. Upon payment in full, the person making the payment is entitled to a Satisfaction of the lien. The Association may bring an action in its name to foreclose a lien for unpaid Assessments and other charges in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid Assessments and other charges without waiving any claim of lien. Institution of a suit at law to attempt collection of the payment of any delinquent Assessment shall not be deemed to be an election by the Association which shall prevent it thereafter seeking by foreclosure to enforce the collection of any sums still owed to it, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt collection of any balance then remaining due.

9.5 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least 30 days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments. If this notice is not given at least 30 days before the foreclosure action is filed, and if the unpaid Assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or costs. The notice shall be given by personal delivery to the Owner or by mailing by certified or registered mail, return receipt requested, addressed to the Owner at such Owner's last known address and upon such mailing the notice shall be deemed to have been given. If, after diligent search and inquiry, the Association cannot find the Owner or a mailing address at which the Owner will receive the notice, the court may proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this Section are satisfied if the Owner records a Notice of Contest of Lien as provided in the Act, specifically at Florida Statutes Section 718.116(5)(c). The notice requirements of this Section shall not apply if an action to foreclose a mortgage on the Unit is pending before any Court, if the Association's rights would be affected by such foreclosure, and if actual, constructive, or substitute service of process has been made on the Owner.

9.6 Appointment of Receiver to Collect Rental. If the Owner remains in possession of the Unit and the lien is foreclosed, the court in its discretion may require the Owner to pay a reasonable rental for the Unit and the Association shall be entitled to the appointment of a receiver to collect the rent.

9.7 Institutional Mortgage. If an Institutional Mortgagee obtains title to a Unit either as a result of foreclosure of its mortgage and purchase at the resulting public sale in which action the Association has been properly named as a defendant junior lienholder, or by accepting a deed in lieu of foreclosure, then such Institutional Mortgagee, its successors and assigns, shall be liable for Common Expenses Assessments or other charges by the Association attributable to such Unit or

chargeable to the former Unit Owner becoming due prior to acquisition of title. However, the mortgagee's liability is limited to a period not exceeding six months, but in no event does the first mortgagee's liability exceed one percent of the original mortgage debt. The first mortgagee's liability for such expenses or assessments does not commence until thirty days after the date the first mortgagee received the last payment of principal or interest. In no event shall the mortgagee be liable for more than six months of the unit's unpaid common expenses or assessments accrued before the acquisition of title to the unit by the mortgagee or one percent of the original mortgage debt, whichever amount is less.

Any unpaid share of Common Expenses, Assessments or other charges shall be deemed to be Common Expenses collectible from all Unit Owners, including such acquire, and its successors and assigns.

9.8 Certificate of Unpaid Assessments. Whenever any Unit may be leased, sold, or mortgaged by the Owner thereof, which lease or sale or mortgage shall be concluded only upon compliance with other provisions of this Declaration, the Association, upon written request of the Owner of such Unit, shall furnish to the proposed lessee, purchaser, or mortgagee a statement verifying the status of payment of any Assessment which shall be due and payable to the association by the Owner of such Unit. Such statement shall be executed by any officer of the Association, and any lessee, purchaser, or mortgagee may rely upon such statement in concluding the proposed lease, purchase, or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Unit is to be leased or sold at the time when payment of any Assessment against the Owner of said Unit shall be in default (whether or not a claim of lien has been recorded by the Association), then the rent or proceeds, as the case may be, of such lease or purchase shall be applied by the lessee or purchaser first to payment of any then delinquent Assessment or installments thereof due to the Association before the payment of any rent or proceeds of purchase to the Owner of any Unit who is responsible for payment of such delinquent Assessment.

The Association shall have the right to withhold consent to a sale, lease, or mortgage where there is a deficiency or delinquency existing as to an Assessment or installment due in the absence of a properly executed assignment to the Association of such portion of the proceeds of such sale, lease, or mortgage equal to the amount of such deficiency or delinquency.

9.9 Developer's Liability for Assessments. Developer shall be excused from the payment of the share of Common Expenses and Assessments related to Units it is offering for sale for a period beginning with the recording of this Declaration and ending on the first day of the fourth month following the month in which the closing of the purchase and sale of the first Unit occurs. However, Developer shall pay the portion of Common Expenses incurred during that period which exceed the amount assessed against other Unit Owners.

The Developer shall guaranty the level of Assessments for Common Expenses during the period beginning with the recording of the Declaration and ending on the first day of the fourth month following the month in which the closing of the purchase and sale of the first Unit occurs.

10. Insurance

10.1 Purchase, Custody and Payment

(a) Purchase. All insurance policies purchased by the Association shall be issued by an insurance company or companies authorized to do business in Florida. For the purpose of property and casualty insurance risk classification, condominiums shall be classed as residential property.

(b) Approval. Each insurance policy, the agency and the company issuing the policy shall be subject to the approval of the Primary Institutional Mortgagee. If the Primary Institutional Mortgagee makes no written objection within fifteen (15) days of presentment of one or more of these items to it, its approval shall be deemed given.

(c) Named Insured. The named insured on the insurance policies shall be the