AMENDED AND RESTATED DECLARATION OF CONDOMINIUM FOR FOREST LAKES V, A CONDOMINIUM

On January 12, 1979, the original Declaration of Condominium of Forest Lakes V, a Condominium (the "Condominium") was recorded in Book 791, at Pages 356 et seq., of the Official Records of Collier County, Florida. That Declaration, as previously amended, is hereby further amended in part, and restated in its entirety as amended. Section 15 of the original Declaration, related to termination, is not being amended, but is renumbered as Section 19, with appropriate changes in internal numbering and cross-references.

- 1. SUBMISSION STATEMENT. This Amended and Restated Declaration of Condominium is made by Forest Lakes Condominium Association, Inc., a Florida corporation not for profit. The land comprising the Condominium, and the improvements located thereon, have already been submitted to the condominium form of ownership and use pursuant to the Florida Condominium Act. No additional property is submitted to condominium ownership by this Declaration. The covenants and restrictions contained in this Declaration run with the land and inure to the benefit of all present and future owners of condominium parcels. The acquisition of title to a unit or any other ownership interest in the Condominium, or the lease, occupancy, or use of any portion of a unit or the condominium property, constitutes an acceptance and ratification of all provisions of this Declaration as amended from time to time, and an agreement to be bound by it.
- 2. NAME AND ADDRESS. The name of this Condominium is Forest Lakes V, a Condominium. Its address is 1058 Forest Lakes Dr., Naples, Florida 34105.
- 3. DESCRIPTION OF CONDOMINIUM PROPERTY. The legal description of the land submitted to the condominium form of ownership by the original Declaration (the "Land") was set forth in Exhibit "A" to the original Declaration, which Exhibit is hereby incorporated by reference.
- 4. **DEFINITIONS.** Certain words and phrases used in this Declaration and its recorded exhibits shall have the meanings stated below and in Chapter 718, Florida Statutes, (The "Condominium Act"), unless the context clearly requires a different meaning.
- 4.1 "Act" means the (Federal) Fair Housing Act, codified at 42 U.S.C. 3607(b)(2) et seq., as amended.
- 4.2 "Administrative Rules" means the administrative rules promulgated by the Secretary of the United States Department of Housing and Urban Development related to the Act.
- 4.3 "Apartment" has the same meaning as the term "unit" as defined in the Condominium Act.

- 4.4 "Apartment owner" or "owner" has the same meaning as the term "unit owner" as defined in the Condominium Act, except that for purposes of applying the restrictions related to the use and occupancy of units, if a primary occupant has been designated for a unit because of its ownership, as required under Section 14.1 of this Declaration, the word "owner" refers to that primary occupant and not to the record owner.
- 4.5 "Assessment" means the share of the funds required for the payment of common expenses which is from time to time assessed against each of the units.
- **4.6** "Association" means Forest Lakes Condominium Association, Inc., a Florida corporation not for profit, the entity responsible for the operation of this Condominium.
- 4.7 "Association property" means all property, real or personal, owned or leased by the Association for the use and benefit of the unit owners, including without limitation the Common Areas described in Section 6.4.
- **4.8** "Board of Directors" or "Board" means the representative body, sometimes called the "board of administration" in the Condominium Act and, that is responsible for administering the Association's affairs.
- **4.9** "Condominium documents" means this Declaration and all recorded exhibits to it, as it and they may be amended from time to time.
- **4.10** "Age 55 Exemption" means the exemption for housing for older persons, as provided for in Section 3607(b)(2) of the Act.
- 4.11 "Family" or "Single Family" means any one of the following:
 - (A) One natural person; or
 - (B) Two or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage or adoption to each of the others; or
 - (C) Two or more natural persons as in (B) above, except that there is residing among them one person who is not related to some or all of the others.
- **4.12** "Fixtures" are items of tangible personal property which, by being physically affixed or constructively attached to the unit have become accessory to it, and part and parcel of it, e.g.: interior partition walls, light fixtures, built in kitchen cabinets, appliances which have been permanently affixed, and plumbing fixtures in bathrooms and kitchens. Floor, wall and ceiling coverings are not "fixtures."
- 4.13 "Forest Lakes" is the name of the multi-condominium community located in Collier County. operated by the Association. It consists of real property owned by or leased to the Association, and the real property submitted to the condominium form of ownership and operated by the Association.
- **4.14** "Guest" means a person who is not the unit owner or a lessee, is not a member of the family of the owner or lessee, but is physically present in, resides in, or otherwise occupies a unit on a temporary basis at the invitation of the owner or other legally permitted occupant, without the payment of consideration.
- 4.15 "Institutional mortgagee" means:

- (A) a lending institution holding a mortgage encumbering a condominium parcel, including without limitation any of the following types of institutions: a federal or state savings and loan or building and loan association, a bank chartered by a state or federal government, a real estate investment trust, a pension and profit sharing trust, a mortgage company doing business in the State of Florida, or a life insurance company; or
- (B) a governmental, quasi-governmental or private company that is engaged in the business of making, purchasing, holding, guaranteeing or insuring residential mortgagees, including without limitation the FNMA, FHLMC, the FHA, and the VA.
- An "Institutional Mortgage" is a mortgage held by an Institutional Mortgagee, encumbering a condominium parcel in Forest Lakes.
- **4.16** "Lease" means a unit owner's grant of a temporary right to another person to occupy the owner's unit for valuable consideration.
- 4.17 "Limited common elements" are common elements reserved for the exclusive use of a certain unit or units, to the exclusion of all other units.
- 4.18 "Occupy", when used in connection with a unit, refers to the act of being physically present in a unit; "Occupant" is a person who occupies a unit.
- 4.19 "Primary Institutional Mortgagee" means the institutional mortgagee which, at the time a determination is made, holds first mortgages encumbering more units in the Condominium than any other institutional mortgagee, such determination to be made by reference to the number of units encumbered, and not by the dollar amount owed on such mortgages.
- 4.20 "Primary Occupant" means the natural person approved for occupancy of a unit when title to a unit is held in the name of two or more persons who are not husband and wife, or in trust, or by a corporation or other entity which is not a natural person.
- 4.21 "Rules and regulations" means the rules and regulations promulgated by the Board of Directors, governing the use of the common elements and association property, and the operation of the Association.
- 4.22 "Voting interests" means the arrangement established in the condominium documents by which the owners of each unit collectively are entitled to one indivisible vote in Association matters where a vote by the owners is required or permitted. This Condominium contains fifty-six (56) units, so the total number of "voting interests of this Condominium" is fifty-six (56) votes. The total number of units in all condominiums operated by the Association is 352, so the total number of "voting interests of the Association" is 352 votes.

5. DESCRIPTIONS OF THE IMPROVEMENTS; SURVEY AND PLANS.

5.1 Survey and plot plans. Attached to the original Declaration as Exhibit "A," and incorporated by reference herein, are a survey of the Land and plot plans, which graphically describe the improvements in which units are located, and which show all the units, including their identification numbers. Together with this Declaration, the exhibit identifies the common elements and limited common elements, and their relative locations and dimensions.

5.2 <u>Unit boundaries</u>. Each unit includes those parts of the building in which the unit is located that lie within the following boundaries:

- (A) <u>Upper and Lower Boundaries</u>. The upper and lower boundaries of the unit are the following boundaries extended to their intersections with the perimeter boundaries:
 - (1) <u>Upper Boundaries</u>. The horizontal plane of the unfinished lower surface of the ceiling of the unit.
 - (2) <u>Lower Boundaries</u>. The horizontal plane of the unfinished upper surface of the concrete floor of the unit.
- (B) <u>Perimeter Boundaries</u>. The perimeter boundaries of the unit are the vertical planes of the unfinished interior surfaces of the plasterboard or block walls bounding the unit as shown in Exhibit "A," extended to their intersections with each other and with the upper and lower boundaries.
 - (1) Exterior Building Walls. The intersecting vertical planes adjacent to and which include the exterior of the outside walls of the apartment building bounding an apartment and fixtures thereon, and when there is attached to the building a balcony, loggia, terrace, canopy, stairway or other portion of the building serving only the unit being bounded (except as otherwise provided in Section 8.1(D) such boundaries shall be the intersecting vertical planes adjacent thereto and which include all of such structures and fixtures thereon.
 - (2) <u>Interior Building Walls</u>. The vertical planes of the center line of walls bounding a unit extended to intersections with other perimeter boundaries with the following exceptions:
 - (a) Where walls between apartments are of varying thickness, or abut a column, the plane of the center line of a bounding wall shall be extended to its intersections with the connecting bounding plane, without regard to the plane of the center line of an intervening column.
 - (b) Where walls of different thicknesses abut so that their center lines do not intersect, the plane of the center line of the thinner wall shall be extended into the thicker wall for a distance which is one-half the thickness of the thinner wall, and the boundary shall thence run at a right angle to the plane of the center line of the thicker wall.
- (C) <u>Apertures</u>. Where there are openings in any boundary, including without limitation garage doors, windows, doors and skylights, the boundaries of the unit extend to the exterior unfinished surfaces of the coverings of such openings, and the frameworks thereof. Accordingly, garage doors, windows, doors, screens and all framing, casings and hardware therefor, are included within the unit.

In cases not specifically covered in this Section 5.2, or in any case of conflict or ambiguity, the graphic depictions of the unit boundaries set forth in Exhibit "A" hereto shall control in determining the boundaries of a unit, except that the provisions of Section 5.2(C) above shall control over Exhibit "A". Nothing herein shall be construed as changing, or intended to change, the boundaries of the units as provided for in the original Declaration.

6. CONDOMINIUM PARCELS; APPURTENANCES AND USE.

6.1 Shares of common ownership. The Condominium contains fifty-six (56) units. The owner of each unit also owns an undivided one fifty-sixth (1/56th) share of the common elements of this Condominium, and one fifty-sixth (1/56th) of the common surplus attributable to this Condominium.

- **6.2** Appurtenances to each unit. The owner of each unit has certain rights, and owns a certain interest in the condominium property, which cannot be separated from the unit, and passes with it in any conveyance, whether described in the instrument of conveyance or not. The appurtenances are delineated in Section 718.106 of the Condominium Act, and include the following:
 - (A) The undivided ownership share in the common elements and the common surplus, as specifically stated in Section 6.1 above.
 - (B) Membership and voting rights in the Association, acquired and exercised as provided in the Amended and Restated Articles of Incorporation and Bylaws of the Association, attached hereto as Exhibits "D" and "E", respectively.
 - (C) The exclusive right to use the limited common elements reserved for the unit, and the non-exclusive right to use the common elements.
 - (D) An exclusive easement for the use of the airspace occupied by the unit as it exists at any particular time, and as the unit may lawfully be altered or reconstructed from time to time. An easement in airspace which is vacated shall be terminated automatically.
 - (E) Other appurtenances (if any) stated in this Declaration and its exhibits.

Each unit and its appurtenances constitutes a "condominium parcel".

- **6.3** Use and possession. A unit owner is entitled to exclusive use and possession of his unit. He is entitled to use the common elements in accordance with the purposes for which they are intended, but no use of the unit or of the common elements may unreasonably interfere with the rights of other unit owners or other persons having rights to use the condominium property. No unit may be subdivided. The use of the units, common elements and association property shall be governed by the condominium documents and by rules and regulations adopted by the Board of Directors, as provided in Section 7 of the Bylaws.
- 6.4 Common Areas. In addition to operating and maintaining the common elements of the Condominium, the Association is the Lessee under a 99-year lease (the "Lease") of certain adjoining land which was not submitted to condominium ownership, which land is hereafter referred to as the "Common Areas". The lease, which is dated July 23, 1973, and recorded in Book 543, at Pages 229 et seq., of the Official Records of Collier County, Florida, and as further amended, was between Code, Inc., a Florida corporation, as Lessor, and Forest Lakes Condominium Association, Inc., as Lessee. The Common Areas include recreational facilities, and other property for the exclusive use of the unit owners.

The Association's powers and responsibilities for maintenance and operation of the Common Areas are the same as its powers and responsibilities for the common elements; and except as otherwise provided in this Declaration, the cost is a common expense. Rent payable under the Lease is a common expense, but any unit whose owner has paid a full share of the cost of purchasing the unit's proportional share of

the Lease, shall be treated as having paid in full, in advance, all assessments for his unit's share of rent under the Lease.

7. COMMON ELEMENTS; EASEMENTS.

- 7.1 <u>Definition</u>. The "common elements" are all property and improvements thereon that are part of the condominium and are not within the unit boundaries set forth in Section 5 above. The common elements include without limitation the following:
 - (A) The Land.
 - (B) All portions of the buildings and other improvements outside the units, including all of the limited common elements.
 - (C) Easements through each unit for conduits, ducts, plumbing, wiring, and other facilities for furnishing utility services to other units or the common elements.
 - (D) An easement for support in every portion of the Condominium which contributes to the support of a structure.
 - (E) The fixtures and installations required for access and utility services to more than one unit or to the common elements, regardless of where the fixtures and installations are located.
- 7.2 Easements. Each of the following easements is reserved over, across, under and through the condominium property, and is a covenant running with the Land. Notwithstanding any other provisions of this Declaration, these easements may not be revoked, and shall survive the exclusion of any land from the Condominium. None of these easements may be encumbered by any leasehold or lien other than those encumbering individual condominium parcels, and those liens shall automatically be subordinate to the rights of unit owners with respect to such easements.
 - (A) <u>Utility and other easements</u>. The Association has the power, without the joinder of any unit owner, to grant, modify or move easements for things such as electric, gas, cable television, water, sewer, irrigation, or other utility, service or access easements. The Association, through its Board, may also relocate existing easements in any portion of the common elements or association property, and grant easements or relocate existing easements in any portion of the common elements or association property, as the Association shall deem necessary or desirable for the benefit of the owners and the proper operation and maintenance of the Condominium. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the use of the units. The Association may also transfer or acquire title to utility-related equipment or installations, and take any other action reasonably necessary to satisfy the requirements of any utility company or governmental agency to which any such utility-related equipment or installations are to be so transferred.
 - (B) Encroachments. If for any reason other than the intentional act of the unit owner or the Association, any unit encroaches upon any of the common elements or upon any other unit, or any common element encroaches upon any unit, then an easement shall exist to the extent of that encroachment as long as the encroachment exists.

(C) <u>Ingress and egress</u>. A non-exclusive easement shall exist in favor of each unit owner and occupant, their respective guests, tenants, licensees and invitees for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, and other portions of the common elements as from time to time may be intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through, and across such portions of the common elements as from time to time may be paved or intended for such purposes, and for purposes of ingress and egress to the public ways.

7.3 Restraint upon separation and partition. As long as the Condominium exists, the common elements cannot be partitioned. Ownership of the undivided share of the Association funds and assets appurtenant to each unit cannot be assigned, pledged or separated from that unit and cannot be transferred except as an incident to the transfer of ownership of the unit.

8. LIMITED COMMON ELEMENTS:

- **8.1** Description of limited common elements. Certain common elements have been reserved for the use of a particular unit or units, to the exclusion of the other units. The limited common elements and the units to which their exclusive use is appurtenant, are as described in this Declaration and its recorded exhibits, and include:
 - (A) <u>Outdoor Parking Spaces</u>. Certain numbered parking spaces are designated as limited common elements. Each unit shall always have the exclusive use of one assigned parking space.
 - (B) Air Conditioning and Heating Equipment. All equipment, fixtures and installations located outside of a unit, which furnish air conditioning or heating exclusively to that unit, are limited common elements for the exclusive use of the unit they serve, and the exclusive use rights are appurtenances to the unit.
 - (C) Patios. Any patio installed by a unit owner is a limited common element.
 - (D) Others. Any part of the common elements that is connected to or exclusively serves a single unit, and is specifically required in Section 11 of this Declaration to be maintained, repaired or replaced by or at the expense of the unit owner, shall be deemed a limited common element appurtenant to that unit, whether specifically described above or not.
- **8.2** Exclusive use; transfer of use rights. The exclusive right to use a limited common element is an appurtenance to the unit or units to which it is designated or assigned. If after all of the units have been sold the exclusive use of any assignable limited common element was not, for any reason, assigned to the use of a specific unit or units by the Developer, the Association may do so. The right of exclusive use of each limited common element passes with the unit to which it is assigned, whether or not separately described, and cannot be separated from it.
- **9.** ASSOCIATION. The operation of the Condominium is by Forest Lakes Condominium Association, Inc., a Florida corporation not for profit, which shall perform its function pursuant to the following:
- **9.1** Articles of Incorporation. A copy of the Amended and Restated Articles of Incorporation of the Association is attached as Exhibit "D".

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- 9.2 <u>Bylaws</u>. The Bylaws of the Association are the Amended and Restated Bylaws attached as Exhibit "E", as they may be amended from time to time.
- 9.3 <u>Delegation of management</u>. The Association may contract for the management and maintenance of the condominium property, and employ a licensed manager or management company to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, keeping of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds made available by the Association for such purposes. The Association and its officers and Directors, however, remain responsible for the proper operation of the Association and this Condominium.
- 9.4 <u>Members</u>. The members of the Association are the record owners of legal title to the units, as further provided in the Bylaws.
- 9.5 Acts of the Association. Unless the approval or affirmative vote of the unit owners is specifically made necessary by some provision of the Condominium Act or the condominium documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board of Directors, without a vote of the unit owners. The officers and Directors of the Association have a fiduciary relationship to the unit owners. A unit owner does not have the authority to act for the Association by reason of being a unit owner.
- 9.6 Powers and duties. The powers and duties of the Association include those set forth in the Condominium Act and the condominium documents. The Association may contract, sue, or be sued with respect to the exercise or non-exercise of its powers and duties. For these purposes, the powers of the Association include without limitation the maintenance, management, and operation of the condominium property and association property. The Association may impose fees for the use of common elements or association property. The Association has the power to enter into agreements, and to acquire leaseholds, memberships and other ownership, possessory or use interests in lands or facilities, regardless of whether the lands or facilities are contiguous to the lands of the Condominium.
- 9.7 Official records. The Association shall maintain its official records as required by law. The records shall be open to inspection by members or their authorized representatives upon written request at all reasonable times. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the member seeking copies.
- 9.8 <u>Purchase of units</u>. The Association has the power to purchase one or more units in the Condominium, and to own, lease, mortgage, or convey them, such power to be exercised by the Board of Directors.
- **9.9** Acquisition of property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as otherwise provided in Section 9.8 above, the power to acquire ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the voting interests of the Association.
- **9.10** <u>Disposition of property.</u> All property owned by the Association, whether real, personal or mixed, may be mortgaged, sold, leased or otherwise encumbered or disposed of by the same authority as would be required to acquire it under Sections 9.8 and 9.9 above.

9.11 Roster. The Association shall at all time maintain a current roster of names and mailing addresses of unit owners, based upon information supplied by the unit owners and obtained from other sources. A copy of the roster shall be made available to any member upon request.

- 9.12 <u>Limitation on liability</u>. The Association has a legal duty to maintain, repair and replace the common elements, association property, and other parts of the Forest Lakes community, as described in Section 11 below. The Association did not, however, construct the improvements comprising the community, or have any role in designing them. Accordingly, the Association, in the absence of negligence or wrongful act on its part, shall not be liable to individual unit owners for personal injury or property damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements, or by unit owners, or by other persons.
- 10. ASSESSMENTS AND LIENS. The Association has the power to levy and collect assessments against each unit and unit owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Association. This power includes both "regular" assessments for each unit's share of the common expenses set forth in the annual budget, and "special" assessments for unusual, nonrecurring or unbudgeted common expenses. The Association may also levy special charges against any individual unit for any amounts, other than for common expenses, which are properly chargeable against the unit by law or by the condominium documents. Assessments shall be levied and payment enforced as provided in Section 6 of the Bylaws, and as follows:

10.1 Common expenses.

- (A) The common expenses of this Condominium include the costs of operation, maintenance, repair, replacement, insurance and protection of the common elements, and any other expenses properly incurred by the Association for the Condominium, including without limitation amounts budgeted to fund reserves for capital expenditures and deferred maintenance of the common elements. The share of the Common Expenses of the Association chargeable to this Condominium is also a common expense of this Condominium.
- (B) The common expenses of the Association include the costs of water and sewer service to the units and pest control services within units, if purchased under a single bulk contract by the Association, the expenses of operation, maintenance, repair, replacement or insurance of the Common Areas and association property, the expenses of operating the Association, and any other expenses properly incurred by the Association, including amounts budgeted for the purpose of funding reserve accounts for capital expenditures and deferred maintenance of improvements on the Common Areas and association property.
- 10.2 <u>Share of common expenses</u>. The owner of each unit is liable for a share of the common expenses of the Condominium in which the unit is located equal to his share of ownership of the common elements and the common surplus of the Condominium, as set forth in Section 6.1 above. The share of the common expenses of the Association which becomes a common expense of each Condominium is a fraction of the whole, the numerator of which is the number of units in this Condominium, and the denominator of which is the total number of units in all condominiums operated by the Association.
- 10.3 Ownership of assessments. Assessments and all other funds collected by or on behalf of the Association become Association property. No unit owner has the right to claim, assign or transfer any

interest therein except as an appurtenance to his unit. No owner can withdraw or receive distribution of his share of the common surplus, except as otherwise provided herein or by law.

- 10.4 <u>Liability for paying assessments</u>. The owner of each unit, regardless of how he acquired title, is liable for all assessments or installments thereon that come due while he is the owner. Multiple owners are jointly and severally liable. Except as otherwise provided in Section 21.3 below as to certain first mortgagees, whenever title to a condominium parcel is transferred for any reason, the new owner becomes jointly and severally liable with the previous owner for all assessments which came due prior to the transfer and remain unpaid, without prejudice to any right the new owner may have to recover from the previous owner any amounts paid by the new owner.
- 10.5 No waiver or excuse from payment. No owner may avoid the liability for assessments by waiving or foregoing the use or enjoyment of any common elements, by abandonment of the unit on which the assessments are made, or by interruption in the availability of the unit or the common elements for any reason whatsoever. Except as otherwise provided in Section 21.3 below as to certain first mortgagees, no unit owner may be excused from payment of his share of the common expenses unless all unit owners are likewise proportionately excused from payment.
- 10.6 Application of payments; failure to pay; interest. If any assessments or installments thereon is unpaid ten (10) days after the date due, interest at the highest rate allowed by law, calculated from the date due until paid shall begin to accrue. The Association may also impose a late payment fee at the highest rate allowed by law (in addition to interest). Regular assessments and installments thereon become due, and the unit owner shall become liable for said assessments or installments, on the date established in the Bylaws or otherwise set by the Board of Directors for payment. All partial payments on account must be applied first to interest, then to late payment fees, court costs and attorney's fees, and finally to delinquent assessments. Payment by check is not deemed received until the check has cleared.
- 10.7 Acceleration. If any special assessment or installment of a regular assessment as to a unit is unpaid thirty (30) days after the due date, and a Claim of Lien is recorded, the Association shall have the right to accelerate the due date of the entire unpaid balance of the unit's assessments for that fiscal year. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the public records. The Association's Claim of Lien secures payment of the entire accelerated obligation, together with interest on the entire balance, attorney's fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent owner a notice of the exercise, which notice shall be sent to the owner's last known address by certified or registered mail, and shall be deemed given upon mailing of the notice, properly addressed and postpaid. The notice may be given as part of the notice of intent to foreclose, as required by Section 718.116 of the Condominium Act, or may be sent separately.
- 10.8 Liens. The Association has a lien on each condominium parcel securing payment of past due assessments, including interest and attorney's fees and costs incurred by the Association incident to the collection of the assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit. The lien is perfected upon recording a Claim of Lien in the Public Records of Collier County, Florida, stating the description of the condominium parcel, the name of the record owner, the assessments past due and the due dates. The lien is in effect until barred by law. The Claim of Lien secures all unpaid assessments coming due prior to a final judgment of foreclosure. Upon full payment, the person making the payment is entitled to a satisfaction of the lien.

10.9 Priority of lien. The Association's lien for unpaid assessments is subordinate and inferior to the lien of a recorded first mortgage, but only to the extent required by the Condominium Act, as amended from time to time. The Association's lien is superior to, and takes priority over, any other mortgage or lien regardless of when the mortgage or lien was recorded, except as otherwise expressly provided by the Condominium Act, as amended from time to time. A lease of a unit is always subordinate and inferior to the Association's lien, regardless of when the lease was executed.

- 10.10 <u>Foreclosure of lien</u>. The Association may bring an action in its name to foreclose its lien for unpaid assessments in the manner provided in the Condominium Act, and may also bring an action to recover a money judgment for the unpaid assessments, without waiving any lien rights.
- 10.11 <u>Certificate as to assessments</u>. Within fifteen (15) days after receiving a written request by a unit owner or mortgagee, the Association shall provide a certificate (sometimes referred to as an "estoppel letter") signed by an officer or authorized agent stating whether all assessments and other monies owed to the Association by the unit owner with respect to the condominium parcel have been paid. Any person other than the unit owner who justifiably relies upon the certificate shall be protected thereby.
- 11. MAINTENANCE; LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS. Responsibility for the protection, maintenance, repair and replacement of the condominium property, and restrictions on its alteration and improvement shall be as follows:
- 11.1 <u>Association maintenance</u>. The Association is responsible for the protection, maintenance, repair, replacement and insurance of all common elements and association property (other than the limited common elements that are required elsewhere herein to be maintained by the unit owner). The cost is a common expense of the Condominium. The Association's responsibilities include, without limitation:
 - (A) Electrical wiring up to a circuit breaker panel in each unit.
 - (B) Cable television lines up to and including the wall outlet.
 - (C) Water pipes, up to the individual unit cut-off valve.
 - (D) Sewer lines, up to the point where they enter the individual unit boundaries.
 - (E) All installations, fixtures and equipment located partly or entirely within one unit but serving the common elements or another unit; and all those located outside any unit, for the furnishing of utilities to more than one unit or the common elements.
 - (F) All exterior building walls, including painting, waterproofing, and exterior caulking.
 - (G) All of the fire sprinkler system, if any.
 - (H) The exterior surface of the entrance door to the unit (including the garage door).
 - (I) All parking spaces, covered or uncovered.

The Association's responsibilities do not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a unit and serving only that unit. All incidental damage caused to a unit or limited common elements by work performed or

ordered to be performed by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition to the common elements made by a unit owner or his predecessors in title.

- 11.2 <u>Unit Owner Maintenance</u>. Each unit owner is responsible, at his own expense, for all maintenance, repairs, and replacements of the property in his own unit and for certain limited common elements. The owner's responsibilities include, without limitation:
 - (A) The interior surfaces of the primary access door to the unit and its framing.
 - (B) All doors within or providing access to the unit (including the garage door), including locks, hardware and framing, except for exterior painting.
 - (C The electrical, mechanical and plumbing lines, pipes, fixtures, switches, valves, drains, faucets and outlets (including connections) located partially or entirely within the unit or serving only the unit.
 - (D) The circuit breaker panel and all electrical wiring going into the unit from the panel.
 - (E) Appliances, water heaters, smoke alarms, dryer vents and vent fans.
 - (F) All air conditioning, and heating equipment, thermostats, ducts and installations serving the unit exclusively, no matter where located.
 - (G) Carpeting and other floor coverings.
 - (H) Maintenance, repair and replacement of screens, windows, window glass and all related frameworks and hardware.
 - (I) The railings on terraces, porches or balconies.
 - (J) Shower pans.
 - (K) The main water supply shut-off valve for the unit.
 - (L) Other facilities or fixtures which are located or contained entirely within the unit and serve only the unit.
 - (M) All interior walls which do not form part of the boundary of the unit.
 - (M) Any patio installed by the unit owner.

11.3 Other unit owner responsibilities.

(A) <u>Balconies</u>, terraces, loggia and canopies. Where a portion of a unit is an area referred to in the graphic exhibits as a balcony, terrace, loggia, canopy or stairway, the unit owner shall be responsible for the day-to-day cleaning and care of the walls, floor and ceiling bounding the area, if any; and all fixed glass and sliding glass doors and screens in portions of the entrance way to said area, if any; and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the painting, maintenance,

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repair and replacement of all exterior walls of the building and of the railings, and the concrete slabs.

- (B) <u>Interior decorating</u>. Each unit owner is responsible for all decorating within his own unit, including painting, wallpapering, panelling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.
- (C) Flooring. All units above the ground floor shall always have the floors covered with wall-to-wall carpeting installed over high quality padding, except carpeting is not required in kitchens, bathrooms or laundry rooms. An owner who desires to install in place of carpeting any hard-surface floor covering (e.g. marble, slate, ceramic tile, hardwood) shall also install a sound absorbent underlayment of such kind and quality as to substantially reduce the transmission of noise to adjoining units, and must obtain written approval of the Board of Directors prior to any such installation. If the installation is made without prior approval the Board may, in addition to exercising all the other remedies provided in this Declaration, require the unit owner to cover all such hard-surface flooring with carpeting and padding, or require the removal of such hard-surface flooring at the expense of the offending unit owner.
- (E) <u>Window coverings</u>. The covering and appearance of windows and doors, whether by draperies, shades, reflective film or other items, whether installed within or outside of the unit, visible from the exterior of the unit, shall be subject to the rules and regulations of the Association.
- (F) <u>Modifications and alterations</u>. If a unit owner makes any modifications, installations or additions to his unit or the common elements, the unit owner, and his successors in title, shall be financially responsible for:
 - (1) Insurance, maintenance, repair and replacement of the modifications, installations or additions;
 - (2) The costs of repairing any damage to the common elements or other units resulting from the existence of such modifications, installations or additions; and
 - (3) The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the condominium property for which the Association is responsible.
- (G) <u>Use of licensed and insured contractors</u>. Whenever a unit owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the unit or common elements, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that his contractor(s) is/are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.
- 11.4 Alteration of units or common elements by unit owners. No owner shall make or permit the making of any material alterations or substantial additions to his unit or the common elements, or in any manner change the exterior appearance of any portion of the Condominium, without first obtaining the written approval of the Board of Directors, which approval may be denied if the Board of Directors determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the Condominium in part or in whole. Any glass, screen, curtain, blind, shutter,

awning, or other modifications, additions or installations which may be installed where visible from outside the unit, are subject to regulation by the Board of Directors. No owner may alter the landscaping of the common elements in any way without prior Board approval. The Board of Directors may revoke or rescind any approval of an alteration or modification previously given, if it appears that the installation has had unanticipated, adverse effects on the Condominium.

- 11.5 Alterations and additions to common elements and association property. The protection, maintenance, repair, insurance and replacement of the common elements and association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the common elements or the real property owned by the Association costing more than \$20,000 in the aggregate in any calendar year without prior approval of at least two-thirds (2/3rds) of the voting interests present and voting, in person or by proxy. Alterations or additions costing less than this amount may be made with Board approval. If work reasonably necessary to protect, maintain, repair, replace or insure the common elements or association property also constitutes a material alteration or substantial addition to the common elements, no prior unit owner approval is required.
- 11.6 Enforcement of maintenance obligations. If, after reasonable notice, the owner of a unit fails to maintain the unit or its appurtenant limited common elements in good repair and working order as required, the Association may institute legal proceedings to enforce compliance, or may take any and all other lawful actions to remedy such violation, including lawful entry of the unit, to repair, replace, or maintain any item which in the good business judgment of the Board of Directors constitutes a significant threat to the health or safety of residents. Any expenses incurred by the Association in taking such actions shall be a charge to the unit owner, subject to paying the Association's reasonable attorney's fees and other expenses of collection, if any.
- 11.7 Negligence; damage caused by condition in unit. The owner of each unit is liable for any expenses incurred to maintain, repair or replace common elements, other units, or personal property on account of his act or negligence, or by that of any member of his family or his guests, employees, agents, or tenants. Each unit owner has a duty to maintain his unit, any limited common elements appurtenant to the unit (except those limited common elements required to be maintained by the Association, as provided in Section 11.1), and personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other units, the common elements or the property of other owners and residents. If any condition, defect or malfunction, resulting from the owner's failure to perform this duty causes damage to other units, the common elements, association property or property within other units, the owner of the offending unit shall be liable to the person or entity responsible for repairing the damaged property for all costs of repair or replacement not paid by insurance. If one or more of the units involved is not occupied at the time the damage is discovered, the Association may enter the unit without prior notice to the owner and take reasonable action to mitigate damage or prevent its spread. The Association may also repair the damage within the unit at the owner's expense (with the prior consent of the owner), but is not obligated to do so.
- 11.8 Association's access to units. The Association has an irrevocable right of access to the units for the purposes of protecting, maintaining, repairing and replacing the common elements or portions of a unit to be maintained by the Association under this Declaration, and as necessary to prevent damage to one or more units. The Association's right of access includes, without limitation, entry for purposes of pest control and preventive maintenance of safety equipment such as smoke alarms as well as the right, but not the duty, to enter under circumstances where the health or safety of residents may be endangered, or where the failure of one owner to properly maintain his unit may cause extra, unnecessary expense for all. The exercise of the Association's rights of access to the unit shall be accomplished with due respect for the rights of occupants to privacy and freedom from unreasonable

annoyance, as well as with appropriate precautions to protect the personal property within the unit. The Association may retain pass-keys to all units. If it does, no unit owner shall alter any lock, nor install a new lock, which prevents access when the unit is unoccupied, unless the unit owner provides a key to the Association. If the Association is not given a key, the unit owner shall pay all costs incurred by the Association in gaining entrance to the unit, as well as all damage to his unit caused by gaining entrance thereto, and all damage resulting from delay in gaining entrance to his unit caused by the unavailability of a key.

- 11.9 Pest control. The Association may supply pest control services for the inside of each unit, with the cost thereof being part of the common expenses. An owner has the option to decline such service unless the Association determines that such service is necessary for the protection of the balance of the Condominium, in which event the owner thereof must either permit the Association's pest control company to enter his unit or must employ a licensed pest control company to enter his unit on a regular basis to perform pest control services and furnish written evidence thereof to the Association. If the cost of pest control provided by the Association is a common expense, the election of an owner not to use the service will not reduce the owner's assessments.
- 11.10 <u>Hurricane shutters</u>. Notwithstanding any provision to the contrary above, the Board of Directors shall adopt as required by law one or more models, styles and colors of hurricane shutter as a minimum standard for use in the Condominium. No hurricane or storm shutters except the standard models, colors and styles adopted by the Board of Directors shall be used in or upon the Condominium.
- 12. USE RESTRICTIONS: The use of the condominium property shall be in accordance with the following provisions:
- 12.1 Units. Each unit shall be occupied by only one family at any time, as a residence and for no other purpose. No business, commercial activity or profession may be conducted from any unit, nor may the name of the Condominium or the address of any unit be publicly advertised as the location of any business. The use of a unit as a public lodging establishment shall be deemed a business or commercial use. This restriction shall not be construed to prohibit any owner from maintaining a personal or professional library, from keeping his personal, business or professional records in his unit, or from handling his personal, business or professional telephone calls or written correspondence in and from his unit. Such uses are expressly declared customarily incident to residential use. This Section 12.1 is, however, intended to prohibit commercial or business activity by an owner which would unreasonably disrupt the residential ambiance of the Condominium, or make it obvious that a business is being conducted, such as by regular or frequent traffic in and out of the Condominium by persons making deliveries or pick-ups, by employees or other business associates, or by customers and clients.
- 12.2 Occupancy in absence of owner. If the owner and his family who permanently reside with him are absent from the unit and are not occupying it, and the unit has not been leased, the owner may permit his unit to be occupied by his guests only in accordance with the following:
 - (A) Any one person who is the parent, child, brother, sister of the unit owner or of the unit owner's spouse, if any, may occupy the unit in the absence of the owner for a period not to exceed fifteen (15) days. The total number of occasions for occupancy by all guests combined under this paragraph shall be limited to four (4) in any one calendar year, with a maximum aggregate total of sixty (60) days.
 - (B) House guests not included within 12.2(A) are permitted for only one (1) family occupancy in the unit owner's absence and then only with the proviso that the family and its guests consist

of no more than six persons in 2-bedroom units and four persons in 1-bedroom units. Such guests may stay only two (2) weeks and the total number of occasions for this type of occupancy shall be limited to two (2) in each calendar year.

- (C) Guest occupancy in the absence of the owner or lessee is not permitted unless at least one of the occupants is at least 55 years of age, except as provided for in Section 15 of this Declaration.
- 12.3 Exceptions. Upon prior written application by the unit owner, the Board of Directors may make such limited exceptions to the foregoing restrictions as may be deemed appropriate in the discretion of the Board, for the primary purpose of avoiding undue hardship or inequity. The making of one exception shall not be construed as a precedent for mandating the making of other exceptions.
- 12.4 Occupancy when owner is present. There is no restriction, other than that stated in Section 12 above, on the number of guests, whether related or unrelated to the owner, who may occupy the unit together with the unit owner.
- 12.5 Minors. No person under sixteen (16) years of age is allowed to occupy a unit, except as expressly provided in this Section 12.5. A person under age sixteen (16) years of age may occupy a unit for periods not exceeding thirty (30) days in the aggregate in any calendar year, provided that the owner, the owner's spouse or an adult member of the owner's immediate family who is at least twenty-one (21) years of age is in residence during the entire time of the minor's occupancy. No person under the age of eighteen (18) may occupy a unit unless a person who is at least twenty-one (21) years of age also occupies the unit at the same time. Minors are not permitted to occupy leased units, unless the term of the lease is of at least one year's duration. In that case, a minor may be in residence for a maximum of thirty (30) days during the lease term. When a tenant who has leased a unit for a period of one year avails himself of the privilege of having a minor for all or part of the 30-day period allowed, and thereafter departs prematurely prior to the expiration of the lease period of one year, the unit may not be occupied by any minor during the remainder of the original lease period of one year.
- 12.6 Pets. The keeping of pets of any kind or description (except for small birds in cages) within the Condominium is prohibited.
- 12.7 <u>Nuisances</u>. No owner shall use his unit, or permit it to be used, in any manner which constitutes, causes, or appears likely to cause an unreasonable annoyance or nuisance to the occupant of another unit, or which would not be consistent with the maintenance of the highest standards for a first class residential condominium, nor permit the premises to be used in a disorderly or unlawful way. The use of each unit shall at all times be consistent with existing laws and the condominium documents, and occupants shall conduct themselves in a peaceful and orderly manner.
- 12.8 <u>Signs</u>. One standard "For Sale" sign, size approximately 18" by 6," may be displayed in the window of the unit. One "Open House" sign may be displayed outside the unit during days when an advertising campaign is being conducted, but these signs must be removed at the end of the day. No person may post or display any other signs anywhere within the Condominium or on the condominium property, without the prior approval and of the Board of Directors. Restrictions on the type, size and hours of display are subject to Board rule.
- 12.9 <u>Use of Common Elements</u>. Common hallways, stairways and other common elements shall not be obstructed, littered, defaced or misused in any manner. Such areas shall be used only for the purposes intended, and they shall not be used for hanging or drying clothing, for outdoor cooking, for cleaning of rugs or other household items, or for storage of bicycles or other personal property.

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- 12.10 Parking: Motor Vehicles. No boat, boat trailer or other trailer of any kind, camper, mobile home, motor home is permitted to be parked, kept or stored on the condominium property, except as permitted by the Board of Directors for loading and unloading purposes, or visitation by guests. Commercial trucks, and disabled or unlicensed vehicles are prohibited. No vehicle may be parked anywhere other than on paved areas intended for that purpose. Parking on lawns or landscaped areas is prohibited. No motorcycles, motor scooters, golf carts or other similar vehicles are allowed on the Property. Motorized bicycles commonly known as "mopeds," are not permitted. Commercial vehicles of any kind (other than those temporarily present on service business, may not be parked in the Condominium for more than four (4) hours per day, unless such vehicle is necessary in the actual construction or repair of a structure or for grounds maintenance or maintenance of public utilities. The parking of 2-axle, non-commercial pickup trucks (up to 3/4 ton load capacity) and vans will be permitted if the following requirements are met:
 - (A) The vehicle is used primarily for personal, non-business use, and has no exterior signage.
 - (B) Vans must have windows on both side panels and seating capacity throughout.
 - (C) No commercial or unusual tools, equipment, merchandise, materials or supplies are regularly kept or stored in the truck or van.
 - (D) Vans may not be used as a domicile or residence, either permanent or temporary.

If a vehicle owner does not comply with the regulations regarding vehicles, the Manager or Board of Directors may have the violating vehicle towed at the expense of its owner upon proper notice. If the offending vehicle is not the property of a unit owner, but rather the property of a tenant, guest or visitor, a reasonable attempt to give notice shall be made to the vehicle's owner before towing. Owners shall be responsible for compliance by their tenants, guests and visitors of these regulations.

- 12.11 Outdoor Cooking. Outdoor cooking is permitted only in areas where permitted by law, and then only in conformity to rules and regulations adopted by the Board of Directors.
- 13. LEASING OF UNITS: In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of units by their owners shall be restricted as provided in this Section. All leases of units must be in writing. A unit owner may lease only his entire unit, and then only in accordance with this Section, after receiving the approval of the Association. The lessee must be a natural person.

13.1 Procedures.

- (A) Notice by the Unit Owner. An owner intending to lease his unit shall give to the Board of Directors or its designee written notice of such intention at least twenty (20) days prior to the first day of occupancy under the lease together with the name and address of the proposed lessee, a fully executed copy of the proposed lease, and such other information as the Board may reasonably require. The Board may require a personal interview with any lessee and his spouse, if any, as a precondition to approval.
- (B) <u>Board Action</u>. After the required notice and all information or interviews requested have been provided, the Board shall have twenty (20) days in which to approve or disapprove the proposed lease. If the Board neither approves nor disapproves within that time, its failure to

act shall be deemed the equivalent of approval, and on demand the Board shall issue a written letter of approval to the lessee.

- (C) <u>Disapproval</u>. A proposed lease may be disapproved only if a majority of the whole Board so votes, and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:
 - (1) The unit owner is delinquent in the payment of assessments at the time the application is considered;
 - (2) The unit owner has a history of leasing his unit without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his unit;
 - (3) The real estate company or rental agent handling the leasing transaction on behalf of the unit owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior Association approval;
 - (4) The application on its face indicates that the person seeking approval intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
 - (5) The prospective lessee has been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
 - (6) The prospective lessee has a history of conduct which evidences disregard for the rights and property of others;
 - (7) The prospective lessee evidences a strong probability of being financially irresponsible;
 - (8) The lessee, during previous occupancy in this Condominium or another, has evidenced an attitude of disregard for Association rules;
 - (9) The prospective lessee gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid; or
 - (10) The owner fails to give proper notice of his intention to lease his unit to the Board of Directors.
 - (11) The prospective lessee fails to meet age requirements or provide proof of age under the Act as provided in Section 15 below.
- (D) Failure to Give Notice or Obtain Approval. If proper notice is not given, the Board at its election may approve or disapprove the lease. Any lease entered into without approval may, at the option of the Board, be treated as a nullity, and the Board shall have the power to evict the lessee with five (5) days notice, without securing consent to such eviction from the unit owner.

- (E) <u>Applications: Assessments</u>. Applications for authority to lease shall be made to the Board of Directors on such forms and include such terms as the Board may provide from time to time. The legal responsibility for paying condominium assessments may not be delegated to the lessee.
- (F) <u>Committee Approval</u>. To facilitate approval of leases proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to an *ad hoc* committee, which shall consist of at least three (3) members.
- 13.2 Term of Lease and Frequency of Leasing. The minimum lease term is thirty (30) days. No lease may be for a period longer than one (1) year, and no option for the lessee to extend or renew any lease shall be permitted, unless the Association is granted in the lease the opportunity to review and approve the renewal or extension at the end of the original lease term. However, the Board may, in its discretion, approve the same lease from year to year. A unit may be leased no more than three (3) times during a calendar year. However, Association approved extensions are considered part of the original lease. No subleasing or assignment of lease rights by the lessee is allowed. Which calendar year a lease occurs in shall be determined by the first date of occupancy permitted under the lease.
- 13.3 <u>Exceptions</u>. Upon written request of a unit owner, the Board of Directors may approve one additional lease of a unit within the same calendar year, but only under unusual circumstances to avoid undue hardship and inequity.
- 13.4 Occupancy During Lease Term. No one but the lessee, his family members within the first degree of relationship by blood, adoption or marriage, and their spouses and guests may occupy the unit. Overnight occupancy is limited to six (6) persons in two bedroom units, and four persons in one bedroom units.
- 13.5 Occupancy in Absence of Lessee. If a lessee absents himself from the unit for any period of time during the lease term, his family within the first degree of relationship already in residence may continue to occupy the unit and may have house guests subject to all the restrictions in Sections 12 and 13.4 above. If the lessee and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the unit. If a lessee absents himself from the unit for any period of time during the lease term, members of his family who are over age twenty-one (21), and are within the first degree of relationship, and are already in residence, may continue to occupy the unit and may have house guests subject to all the restrictions in Sections 12 and 13.4 above. If the lessee and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the unit.
- 13.6 <u>Use of Common Elements and Association Property</u>. To prevent overtaxing the facilities, a unit owner whose unit is leased may not use the recreation or parking facilities during the lease term, except as the guest of another unit owner.
- 13.7 <u>Regulation by Association</u>. All of the provisions of the condominium documents and the rules and regulations of the Association are applicable and enforceable against any person occupying a unit as a lessee or guest to the same extent as against the owner. A covenant on the part of each occupant to abide by the rules and regulations of the Association and the provisions of the condominium documents, designating the Association as the owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed included in every lease agreement, whether oral or written, and whether specifically expressed in the agreement or not.

- 13.8 Fees and deposits related to the lease of units. Whenever herein the approval of the Association is required to allow the lease of a unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law. No fee may be charged for approval of a renewal or extension of a lease with the same lessee. The Association may also require any other deposits that are authorized by the Condominium Act as amended from time to time.
- 14. TRANSFER OF OWNERSHIP OF UNITS: In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of ownership of a unit shall be subject to the following provisions:

14.1 Forms of ownership:

- (A) One person. A unit may be owned by one natural person who has qualified and been approved as elsewhere provided herein.
- (B) Two or more persons. Co-ownership of a unit by two or more natural persons is permitted, but the intent of this provision is to allow flexibility in estate, tax or financial planning, and not to create circumstances in which the unit is used as short-term transient accommodations for multiple families. If the co-owners are other than husband and wife, the Board shall condition its approval upon the designation by the co-owners of one approved natural person as "primary occupant". The use of the unit by all other persons shall be as though the primary occupant were the only actual owner. Any change in the identity of the primary occupant shall be treated as a transfer of ownership by sale or gift, subject to the provisions of this Section 14. No more than one such change will be approved in any twelve (12) month period.
- (C) Ownership by corporations, partnerships or trusts. A unit may be owned in trust, or by a corporation, partnership or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the unit may be used as short-term transient accommodations for several individuals or families. The approval of a trustee, or corporation, partnership or other entity as a unit owner shall be conditioned upon designation by the owner of one natural person to be the "primary occupant". The use of the unit by other persons shall be as though the primary occupant were the only actual owner. Any proposed change in the designated primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any twelve (12) month period.
- (D) <u>Designation of primary occupant</u>. Within thirty (30) days after the effective date of this provision, each owner of a unit which is owned in the forms of ownership stated in preceding subsections 14.1(B) and (C) shall designate a primary occupant in writing to the Association. If any unit owner fails to do so, the Board of Directors may make the initial designation for the owner, and shall notify the owner in writing of its action. If the ownership of a unit is such that the designation of a primary occupant is not required, the unit owner may, nevertheless, choose to designate one, subject to Board approval.
- (E) <u>Life estate</u>. A unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved under 14.2 below. In that event, the life tenant shall be the

only Association member from such unit, and occupancy of the unit shall be as if the life tenant was the only owner. Upon termination of the life estate, the holders of the remainder interest shall have no occupancy rights unless separately approved by the Association. The life tenant shall be liable for all assessments and charges against the unit. Any consent or approval required of association members may be given by the life tenant alone, and the consent or approval of the holders of the remainder interest shall not be required. If there is more than one life tenant, they shall be treated as co-owners for purposes of determining voting and occupancy rights under Section 14.1(B), above.

14.2 Transfers.

- (A) <u>Sale or gift</u>. No unit owner may dispose of a unit or of any ownership interest in a unit by sale or gift (including agreement for deed) without prior written approval of the Board of Directors.
- (B) <u>Devise or inheritance</u>. If any owner acquires title by devise or inheritance, his right to occupy or use the unit shall be subject to the approval of the Board of Directors under Section 14.3(A)(2) below. The approval shall not be denied to any devisee or heir who was the prior owner's lawful spouse at the time of death, or who was related to the owner by blood or adoption in the first degree.
- (C) Other transfers. If any person acquires title in any manner not covered in the foregoing subsections, that person shall have no right to occupy or use the unit before being approved by the Board of Directors under the procedures outlined in Section 14.3 below.
- (D) <u>Committee approval</u>. To facilitate transfers proposed during times when many members are not in residence, the Board of Directors may delegate its approval powers to an *ad hoc* committee, which shall consist of at least three (3) members. The Chairman of the committee shall be deemed a Vice-President, and as such shall be empowered to execute Certificates of Approval on behalf of the Association.

14.3 Procedures.

(A) Notice to Association.

- (1) Sale or gift. An owner intending to make a sale or gift of his unit or any interest therein shall give to the Board of Directors or its designee written notice of such intention at least twenty (20) days before the intended closing date, together with the name and address of the proposed purchaser or donee, a copy of the executed sales contract, if any, and all other information the Board may reasonably require. The Board may require a personal interview with any purchaser or donee and his spouse, if any, as a precondition to approval.
- (2) <u>Devise</u>, <u>Inheritance or Other Transfers</u>. The transferee must notify the Board of Directors of his ownership and submit a certified copy of the instrument evidencing his ownership and such other information as the Board may reasonably require. The transferee shall have no occupancy or use rights until and unless approved by the Board, but may sell or lease the unit following the procedures in this Section or Section 13.

- (3) <u>Demand</u>. With the notice required in Subsection (A)(1) above, the owner or transferee seeking approval may make a written demand that if the transfer is disapproved without good cause, the Association shall furnish an approved alternate purchaser who shall purchase the unit at the same price and upon substantially the same terms as in the disapproved sales contract, or if no contract is involved, for the fair market value of the unit determined as provided below.
- (4) <u>Failure to Give Notice</u>. If no notice is given, the Board of Directors, at its election, may approve or disapprove at the time it learns of the transfer. If any owner fails to obtain the Association's approval prior to selling an interest in a unit, such failure shall create a rebuttable presumption that the seller and the purchaser intended to violate the covenants of this Declaration, and shall constitute good cause for Association disapproval.
- (B) <u>Board Action</u>. Within twenty (20) days after receiving the notice specified in Paragraph (A) above, and all information or interviews requested, but not later than sixty (60) days after receiving the notice, whichever occurs first, the Board shall approve or disapprove the transfer. If a transfer is approved, the approval shall be stated in a Certificate of Approval executed by the an officer of the Association in recordable form and delivered to the transferee. If the Board for any reason neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval and on demand the Board shall issue a Certificate of Approval to the transferee.

(C) Disapproval.

- (1) With Good Cause. Approval of the Association shall be denied for good cause only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists. Only the following may be deemed to constitute good cause for disapproval:
 - (a) The person seeking approval has been convicted of a felony involving violence to persons or property, a felony involving possession or sale of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
 - (b) The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;
 - (c) The person seeking approval gives the Board reasonable cause to believe that person intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
 - (d) The person seeking approval has a history of disruptive behavior;
 - (e) The person seeking approval has evidenced an attitude of disregard for association rules or the rights or property of others, by his past conduct;
 - (f) The person seeking approval already owns more than two (2) units in Forest Lakes; or the transfer to the person seeking approval would result in that person owning more than two (2) units in the Condominium;

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- (g) The person seeking approval has failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process;
- (h) The transaction, if a sale or gift, was concluded by the parties without having both sought and obtained the prior approval required herein; or
- (i) The intended occupancy fails to meet the requirements of Section 15 below.
- (2) Without Good Cause. Approval shall not be denied unless a majority of the whole Board so votes. If the Board disapproves without good cause, and if the owner or transferee has made the demand set forth in Section 14.3(A)(3), then within thirty (30) days after the Board meeting at which the transaction was disapproved, the Board shall deliver in writing to the owner (hereafter "the seller") the name of an approved purchaser who will purchase the unit at the same price, and upon substantially the same terms, as in the disapproved sales contract. If no sales contract was involved, or if the Association challenges the contract price as not being a good faith purchase price, the purchase price shall be paid in cash, and the price to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two state-certified property appraisers, one selected by the seller and the other by the Association. The cost of the appraisals, and all other closing costs in cases where no sales contract is involved, shall be shared equally by the buyer and seller, except that the purchaser shall pay for his own title insurance, and all costs of mortgage financing. Real property taxes and condominium assessments shall be prorated to the day of closing and the parties shall bear their own attorney's fees, if any. The closing shall take place not more than sixty (60) days after the date of Board disapproval or thirty (30) days after determination of fair market value by appraisal, whichever occurred last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages.
- (3) If the Board fails to deliver the name of the approved purchaser within thirty (30) days as required above, the original proposed purchaser shall be deemed approved, despite the Board's former disapproval, and upon demand a Certificate of Approval shall be issued.
- 14.4 Exception. The provisions of Sections 14.2 and 14.3 are not applicable to the acquisition of title by a first mortgagee who acquires title through the mortgage, whether by foreclosure or deed in lieu of foreclosure.
- 14.5 <u>Unapproved Transfers</u>. Any sale or transfer which is not approved, or which is disapproved pursuant to the terms of this Declaration shall be void unless subsequently approved in writing by the Board.
- 14.6 Fees and Deposits Related to the Sale of Units. Whenever herein the Board's approval is required to allow the sale or other transfer of an interest in a unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law.

15. HOUSING FOR OLDER PERSONS; EXEMPTION FROM FAIR HOUSING ACT; MINIMUM AGES FOR OCCUPANCY AND OCCUPANCY RESTRICTIONS.

- 15.1 Statement of Intent. It is hereby declared that the Condominium desires and intends to provide housing for older persons, as defined in the Act and the Administrative Rules. It is more specifically the desire and intention of the Association that this Condominium qualify for the exemption for housing for older persons as is provided for in Exemption Three (55 or older housing). In this endeavor, the following occupancy restrictions and procedures shall govern. The Association intends to do whatever is required by the Act and Administrative Rules to publish its intention to adhere to policies and procedures which demonstrate an intent to provide housing for persons 55 years of age or older, and to meet all requirements for the exemption. In the event of conflict, the provisions of this Section shall prevail over any other provision of the condominium documents or the Condominium Act.
- 15.2 Occupancy by Older Persons Age 55 or Over Housing. Except for persons who are grandfathered-in, as provided for in Section 15.4 below, and except for persons referred to in Paragraph (A) next, no unit shall be occupied or be permitted to be occupied unless at least one (1) of the persons residing in the unit at the same time has attained the age of 55 years. This occupancy requirement, if met, shall not be construed to permit occupancy by persons of ages otherwise prohibited in Sections 13 and 14 above.
 - (A) Exceptions; Future Occupancies. The following occupancies shall be permitted even though no occupants have attained the age of 55 years.
 - (1) Occupancy by a surviving spouse. Also permitted is a surviving non-spouse companion, provided that the surviving companion resided with the deceased at the time of the deceased's death.
 - (2) Occupancy by any person who obtains ownership of a unit by devise, inheritance, or operation of law.
 - (3) Occupancy by any person who owned record title to a unit on September 13, 1988. This exception shall only apply to the specific unit owned by the person on that date.
 - (4) Temporary guest occupancies by relatives of the owner in the absence of the owner, when such occupancies have been approved in advance by the Board of Directors on the basis that the occupancies will not result in the Condominium failing to meet the requirements for Exemption Three.
 - (B) Every owner and lessee shall be deemed to have a contract with the Association to ensure that the occupancy requirements in this Section 15.2 are met at all times. Even though this occupancy requirement is a contract between the Association and the owner or lessee, as applicable, this Section shall be deemed to be a covenant running with the land. Furthermore, in the event of violation, any approval by the Association shall be deemed automatically revoked, giving the Association the remedies provided for in Section 15.3 below.
- **15.3** Remedies for Non-compliance. The Association concurrently shall have any one or more of the following remedies for non-compliance in addition to those provided elsewhere in this Declaration or in the Bylaws, or by law:
 - (A) Lease of a Unit.

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- (1) In the event of a lease of a unit, the occupancy and other requirements of this Article are not met, the Association shall be entitled to file for and obtain an injunction against the owner of the unit and the lessee and/or other occupants in the unit, removing the unauthorized lessee and/or other unauthorized occupants.
- (2) The Association shall also be entitled to evict the lessee and other occupants in the unit, as agent for the owner. This right of eviction by the Association shall apply only:
 - (a) After the expiration of fifteen (15) days from the date on which the Association mails notice to the owner by certified mail, return receipt requested or provides notice by hand delivery; and
 - (b) Provided that the owner fails to commence eviction proceedings on his/her /their own and fails to so notify the Association, within the fifteen (15) day period.
- (3) The lease shall specify, and if it fails to so specify, the lease shall be deemed to specify that the lessee and all other occupants shall abide by this Declaration, Articles of Incorporation and Bylaws, and Rules and Regulations of the Association; and shall specify that the Association has the remedies provided for in this Section 15.3. If the Association is the prevailing party, the costs and attorneys' fees incurred by the Association in connection with the exercise of its remedies under this Section 15.3 shall be the responsibility of the owner of the unit, and shall to the extent awarded by a Court under Chapter 83, Florida Statutes, also be the responsibility of the lessee.
- (B) Other Occupancies (Other than Leases). In cases involving an existing ownership, use by guests, or a sale, gift, or other transfer of title, if the occupancy requirements of this Article are not met, the Association shall be entitled to file for and obtain an injunction against the owner(s) of the unit and any or all occupants in the unit, removing the unauthorized occupants (including the owners). If the Association prevails, the owner(s) shall be responsible for costs and attorneys' fees incurred by the Association in connection with its enforcement of this Article.
- (C) <u>Proof of Age</u>. Should any person fail or refuse to provide Proof of Age as required under Section 15.6 below, the Association shall be justified in assuming that such person is not over 55 years of age.
- 15.4 <u>Grandfather provisions</u>. Section 15.2 above shall not apply to the following persons, who shall be grandfathered-in (i.e. obtain grandfather status) and be permitted to occupy their unit, even though under 55 years of age, provided that they meet the requirements for occupancy under Section 12 above and they register with the Association as provided for in Section 15.5 below:
 - (A) Leases. Any lessee(s) and other occupants of a unit under a valid and approved written lease, provided that the lease was fully executed prior to the effective date of this amendment, shall obtain grandfather status. This grandfather status for the lessee(s) and other occupants shall apply for the duration of the lease, however, extensions of the lease may not be granted. Furthermore, this grandfather status applies beyond the duration of the lease only if the particular lessee and/or other occupants were validly occupying a unit under a lease in the Condominium on September 13, 1988.
 - (B) Other occupancies (other than leases).

(1) Occupancy on September 13, 1988: Any owner and other persons not mentioned above, who were validly occupying a unit as a residence on September 13, 1988, shall be accorded grandfather status.

(2) Occupancy as of the effective date: Any owner and other persons not mentioned above, who are validly occupying a unit as residence as of the effective date of this amendment, shall be accorded grandfather status.

15.5 Registration required.

- (A) All present owners, lessees and other occupants must register with the Association on or before the 90th day after the effective date of this Section, by delivery of the items referred to below. Furthermore, no person shall attain grandfather status under Section 15.4 above unless the person registers with the Association on or before the 90th day after the effective date of this Article, by delivery of the items referred to below. These items are as follows:
 - (1) A fully completed and signed registration form to be provided by the Association; and
 - (2) Documentation demonstrating proof of age as provided for in Section 15.6 below; and
 - (3) In the event of a lease, a fully executed copy of the lease must also be delivered (if not already on file with the Association).

The Association shall make available to all owners a registration form within fifteen (15) days after the effective date of this amendment. It shall be the responsibility of the owner, not the Association, to provide any lessee or other occupants in the unit with the registration form for the lessee or occupants to complete and return to the Association.

- (B) The fact that a particular person under the age of 55 years is given grandfather status or is provided with an exception under Section 15.2 above, does not entitle any other person to occupy the unit unless:
 - (1) At least one person occupying the unit is 55 years of age or older; or
 - (2) That other person is also accorded grandfather status under Section 15.4 above; or
 - (3) That other person is granted an exception under Section 15.2 above.

15.6 Proof of age.

- (A) As of the effective date: All owner and all non-owners occupying the units as of the effective date of this amendment provision, and all persons referred to in Section 15.4 above, shall deliver to the Association, documentation demonstrating proof of age, to include birth certificate, drivers license, and/or any other documentation required by the Association. This applies regardless of the age of the persons or whether they seek grandfather status under Section 15.4 above.
- (B) After the effective date: Any owner who obtains record title after the effective date of this amendment, and all persons who occupy the units after the effective date of this amendment

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provision shall, prior to obtaining record title and/or taking occupancy and/or as part of the approval process under Sections 13 and 14 of this Declaration, deliver to the Association, documentation demonstrating proof of age as provided above.

- 15.7 Non-occupancy status. Each owner, or the lessee when the unit is rented, shall notify the Association in advance of any periods of time during which the unit will be unoccupied. This requirement applies only to an intended or planned absence of all permanent residents from the unit, for a period in excess of thirty (30) consecutive days. It is understood that this is a necessary requirement because the Administrative Rules require the Association to keep a record of occupied and unoccupied units. The Board shall adopt a form for use in connection with reporting under this Section.
- 15.8 Records related to Exemption Three. The Association shall maintain records showing the dates of occupancy of all units and the proofs of age for residents, sufficient to meet the requirements of the Act and the Administrative Rules.
- 16. INSURANCE. In order to adequately protect the Association and its members, insurance shall be carried and kept in force at all times in accordance with the following provisions:
- 16.1 By the unit owner. Each unit owner is responsible for insuring his own unit, and the personal property therein; all floor, wall and ceiling coverings; all built-in cabinets, appliances, water heaters, air conditioning and heating equipment, and electrical fixtures that are located within the unit and required to be repaired or replaced by the owner; and all alterations, additions and improvements made to the unit or the common elements by the owner or his predecessors in title. Each unit owner is expected to carry homeowner's insurance, with endorsements for leakage, seepage and wind-driven rain, additions and alterations, and loss assessment protection, or recognize that he bears financial responsibility for any damage to his property or liability to others that would otherwise be covered by such insurance.
- 16.2 Association insurance; duty and authority to obtain. The Board of Directors shall obtain and keep in force the insurance coverage which it is required to carry by law and under the condominium documents, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the unit owners without naming them, and their mortgagees, as their interests shall appear. To the extent permitted by law, the Association may self-insure.
- 16.3 Required coverage. The Association shall maintain adequate insurance covering the buildings and other improvements on the condominium property that the Association is required to insure, as well as all association property, in such amounts, and with such deductibles, as is determined annually by the Board of Directors in the exercise of its good business judgment, such insurance to afford at least the following protection:
 - (A) <u>Property</u>. Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "all risk" property contract.
 - (B) <u>Liability</u>. Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the unit owners as a group to a unit owner.

(C) <u>Automobile</u>. Automobile liability for bodily injury and property damage for owned and non-owned motor vehicles, in such limits of protection and with such coverage as may be determined by the Board of Directors.

- (D) Statutory fidelity bonds.
- 16.4 Optional coverage. The Association may purchase and carry other such insurance coverage as the Board of Directors may determine to be in the best interest of the Association and unit owners. Some of the more common options include:
 - (A) Flood insurance.
 - (B) Broad Form Comprehensive General Liability Endorsement.
 - (C) Directors and Officers Liability.
 - (D) Medical Payments.
 - (E) Leakage, seepage and wind-driven rain.
 - (F) Endorsement for loss by operation of local ordinance.
- 16.5 <u>Description of coverage</u>. A detailed summary of the coverages included in the master policies, and copies of the master policies, shall be available for inspection and copying by unit owners or their authorized representatives upon request.
- 16.6 <u>Waiver of subrogation</u>. When possible, the Board of Directors shall endeavor to obtain insurance policies which provide that the insurer waives its right to subrogation as to any claim against the unit owners, or their respective servants, agents or guests, except for any claim based upon gross negligence evidencing reckless, willful or wanton disregard for life or property.
- 16.7 <u>Insurance proceeds</u>. All insurance policies purchased by the Association shall be for the benefit of the Association, the unit owners and their mortgagees as their interests may appear. All proceeds from policies purchased by the Association shall be payable only to the Association. The duty of the Association shall be to receive such proceeds as are paid, and to hold the same in trust, and disburse them for the purposes stated herein and for the benefit of the unit owners and their respective mortgagees in the following shares:
 - (A) <u>Common elements</u>. Proceeds on account of damage to common elements shall be held in as many undivided shares as there are units, the share of each unit owner being the same as his share in the common elements.
 - (B) <u>Units</u>. Proceeds received on account of damage within the units shall be held in prorated shares, based on the amount of damage within each damaged unit as a percentage of the total damage within all units.
 - (C) Mortgagee. If a mortgagee endorsement has been issued as to a unit, the shares of the mortgagee and the unit owner shall be as their interests appear. No mortgagee shall have the right to require application of insurance proceeds to any mortgage it may hold against a unit, unless insurance proceeds on account of damage to that unit are not used for repairs, or the proceeds exceed the actual cost of repairs or reconstruction. Except as otherwise expressly

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provided, no mortgagee shall have the right to participate in determining whether improvements will be repaired or reconstructed after casualty.

- (D) <u>Deductibles</u>. The insurance policies purchased by the Association may provide for reasonable deductibles. For property insurance, the deductible shall be paid by the same party who would be liable for the loss, or who would be responsible for repairs in the absence of insurance. If multiple parties would be responsible, the deductible shall be allocated among them in proportion to the amount each party's loss bears to the total.
- 16.8 <u>Distribution of proceeds</u>. Insurance proceeds from Association policies shall be distributed to or for the benefit of the unit owners in the following manner:
 - (A) Costs of protecting and preserving the property. If a person other than the person responsible for repair and reconstruction has properly advanced funds to preserve and protect the property to prevent further damage or deterioration, the funds so advanced shall first be repaid, with interest if required.
 - (B) Cost of repair or reconstruction. If the damage for which the proceeds are paid is to be repaired or reconstructed the remaining proceeds shall be paid to defray the costs as provided in Sections 15.7 (A) and (B) above. Any proceeds remaining after repairs and reconstruction shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being paid jointly to them.
 - (C) Failure to repair or reconstruct. If it is determined in the manner elsewhere provided herein that the damages for which the proceeds are paid shall not be reconstructed or repaired, the proceeds on account of that damage shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them.
- 16.9 <u>Association as agent</u>. The Association is hereby irrevocably appointed as agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association for damage or loss to the condominium property.
- 17. REPAIR OR RECONSTRUCTION AFTER CASUALTY. If any part of the condominium property is damaged by casualty, whether and how it shall be reconstructed or repaired shall be determined as follows:
- 17.1 <u>Damage to Units</u>. Where loss or damage occurs within one or more units, any Association insurance proceeds on account of the loss or damage shall be distributed to the owner(s) of the damaged unit(s) in shares as provided in Section 16.7 above. The owner(s) of the damaged unit(s) shall be responsible for reconstruction and repair, and no other person, including the Association, is liable for the cost thereof in the absence of legal fault.
- 17.2 <u>Damage to Common Elements Less than "Very Substantial"</u>. Where loss or damage occurs to the common elements, but the loss is less than "very substantial", as hereinafter defined, it shall be mandatory for the Association to repair, restore and rebuild the damage caused by the loss, and the following procedures shall apply:
 - (A) The Board of Directors shall promptly obtain reliable and detailed estimates of the cost of repair and restoration, and shall negotiate and contract for repair and reconstruction.

(B) If the proceeds of insurance and available reserves are insufficient to pay for the cost of repair and reconstruction of the common elements, the Association shall promptly, upon determination of the deficiency, levy a special assessment against all unit owners in proportion to their shares in the common elements for the deficiency. Such special assessments need not be approved by the unit owners. The proceeds from the special assessment shall be added to the funds available for repair and restoration of the property.

- 17.3 "Very Substantial Damage." As used herein, "very substantial damage" shall mean loss or damage caused by a common occurrence whereby at least three-fourths (3/4ths) of the total units cannot reasonably be expected to be rendered habitable within sixty (60) days. If "very substantial damage" occurs:
 - (A) The Board of Directors and the officers, or any of them, are authorized, regardless of any other provision of this Declaration, to take such action as may reasonably appear to be necessary under emergency conditions, as further provided in Section 4.16 of the Bylaws. This authority includes actions to protect life and property, to evacuate or shore-up structures and salvage property, to engage security to protect against looting or other criminal acts, and to alter the condominium property or association property as might be reasonable under the circumstances to protect the condominium property or association property from further damage or deterioration. This authority includes the authority to expend any and all available association funds, including reserves.
 - (B) The Board of Directors shall endeavor to obtain comprehensive, detailed estimates of the cost of repair and restoration.
 - (C) A meeting of the members shall be held not later than sixty (60) days after the Board has obtained the estimates, to determine the opinion of the membership with reference to rebuilding or termination of the Condominium, subject to the following:
 - (1) If the insurance proceeds, reserves and other association funds available for the restoration and repairs that are the Association's responsibility are sufficient to cover the estimated cost thereof so that it is reasonably anticipated that the repairs and reconstruction can be accomplished without levying a special assessment that exceeds fifteen percent (15%) of the total annual budget for the condominium in the year in which the casualty occurred, the Condominium shall be repaired and reconstructed unless at least two-thirds (2/3rds) of the total voting interests of the Condominium vote for termination, in which case the Condominium shall be terminated.
 - (2) If upon the advice of legal counsel and other experts, it appears unlikely that the then applicable zoning or other regulatory laws will allow reconstruction of the same number and general types of units; or if the insurance proceeds, reserves and other association funds available for restoration and repair are not sufficient to cover the estimated cost thereof, and it is reasonably anticipated that the repairs and reconstruction can be accomplished only by levying special assessments exceeding fifteen percent (15%) of the total annual budget for the Condominium in the year in which the casualty occurred, the Condominium shall be terminated, and the property removed from the provisions of the Condominium Act, unless at least two-thirds (2/3rds) of the total voting interests of the Condominium vote against termination. If the requisite number of unit owners vote against termination, the Board of Directors shall levy such assessments as are necessary, and shall proceed with the necessary repairs and restoration. The proceeds from the special assessments shall be added to the funds available for repair and reconstruction.

- (D) If any dispute shall arise as to whether "very substantial damage" has occurred, or as to the amount of special assessments required, a determination by at least two-thirds (2/3rds) of the Directors shall be conclusive, and shall be binding upon all persons.
- 17.4 Application of insurance proceeds. It shall always be presumed that monies disbursed for repair and reconstruction come first from insurance proceeds; if there is an excess of insurance proceeds left in the funds held by the Association after the payment of all costs of repair and reconstruction, such balance shall be distributed to the unit owners, except as otherwise provided in Section 15.7(C) above.
- 17.5 Equitable relief. In the event of damage to the common elements which renders any unit uninhabitable, and if repairs and reconstruction are not begun and completed within a reasonable period of time, the owner of the uninhabitable unit may petition a court for equitable relief, which may include termination of the Condominium and partition of the former condominium property. For the purposes of this provision, it shall be conclusively presumed that repair and reconstruction has begun and been completed within a reasonable period of time if substantial work is commenced within six (6) months following the damage or destruction, and is completed within nine (9) months thereafter.
- 17.6 Plans and specifications. Any repairs or reconstruction must be substantially in accordance with the plans and specifications for the original buildings, or according to different plans and specifications approved by the Board of Directors, by the owners of at least three-fourths (3/4ths) of the units, and by the Primary Institutional Mortgagee, if any. Such approvals may not be unreasonably withheld. However, no change in plans and specifications shall materially reduce the interior floor space of any unit without the consent of the unit owner and his institutional mortgagee, if any.

18. CONDEMNATION:

- 18.1 Deposit of awards with Association. The taking of all or any part of the condominium property by condemnation or eminent domain shall be deemed to be a casualty to the portion taken. Awards for the taking shall be deemed to be proceeds from insurance on account of the casualty. Even though the awards may be payable to unit owners, the unit owners shall deposit the awards with the Association; and if any fail to do so, a special charge shall be made against a defaulting unit owner in the amount of his award, or the amount of that award shall be set off against any sums payable to that owner.
- 18.2 <u>Determination whether to continue Condominium</u>. Whether the Condominium will be continued after a taking by condemnation or eminent domain will be determined in the same manner provided for determining whether damaged property will be repaired or reconstructed or after a casualty.
- 18.3 <u>Disbursement of funds</u>. If the Condominium is terminated, the proceeds of all awards and other payments will be deemed association property and shall be owned and distributed in the manner provided for insurance proceeds when the Condominium is terminated after a casualty. If the Condominium is not terminated, but the size of the Condominium will be reduced, the owners of units to be diminished or eliminated, if any, will first be made whole, and any property damaged by the taking will be made usable in the manner provided below. Proceeds of awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursements of funds after a casualty.

18.4 <u>Association as agent</u>. The Association is hereby irrevocably appointed as each unit owner's attorney-in-fact for purposes of negotiating or litigating with a condemning authority for the purpose of realizing just compensation.

- 18.5 <u>Units reduced but habitable</u>. If the size of a unit must be reduced, and the remaining portion of the unit can be made habitable, the awards for the taking of a portion of that unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:
 - (A) Restoration of unit. The unit shall be made habitable. If the cost of doing so exceeds the amount of the award, the additional funds required shall be paid by the owner of the unit.
 - (B) <u>Distribution of surplus</u>. The balance of the award, if any, shall be distributed to the owner of the unit and to each mortgagee of the unit, the remittance being made payable jointly to the owner and mortgagees.
 - (C) Adjustment of shares in common elements. If the floor area of a unit is materially reduced, the number representing the share in the common elements appurtenant to the unit shall be reduced in the same proportion as the floor area of the unit is reduced, and the shares of all unit owners in the common elements shall be proportionately restated by an amendment of the Declaration adopted under Section 718.110(5), Florida Statutes.
- 18.6 <u>Unit made not habitable</u>. If the condemnation is of an entire unit or reduces the size of a unit so that it cannot be made habitable, the award for the taking of the unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:
 - (A) <u>Payment of award</u>. The award shall be paid to the owner of the unit and to each mortgagee of the unit as their interests may appear, the remittance being made payable jointly to the owner and mortgagee(s).
 - (B) Addition to common elements. If possible and practical, any remaining portion of the unit shall become part of the common elements and shall be placed in condition for use by some or all unit owners in a manner approved by the Board of Directors.
 - (C) Adjustment of shares in common elements. The shares in the common elements appurtenant to the units that continue as part of the Condominium shall be adjusted to distribute the ownership of the common elements among the changed number of units. This shall be done by restating the shares of continuing unit owners in the common elements as percentages of the total of the numbers representing the shares of these as they existed prior to the adjustment.
 - (D) Assessments. If the award to the Association for damage to the common elements resulting from a taking is not sufficient to pay the cost of converting the remaining portions of the unit for use as a part of the common elements, the additional funds required for those purposes shall be raised by special assessment against all unit owners who will continue as owners of units after the changes in the Condominium affected by the taking. The assessments shall be made in proportion to the shares of those owners in the common elements after the changes affected by the taking.
- 18.7 <u>Taking of common elements</u>. Awards for the taking of common elements only shall be used to make the remaining portion of the common elements usable in a manner approved by the Board of Directors. The balance of such awards, if any, shall become part of the common surplus.

- 18.8 Amendment of Declaration. Any changes in units and in the common elements, or in the ownership of the common elements, or in the sharing of common expenses, that are necessitated by a condemnation or eminent domain shall be accomplished by amending this Declaration and Exhibit "A" in conformity to the changes mandated by Sections 18.5 and 18.6 above. Such amendments need be approved only by the owners of a majority of the units. Approval of, or joinder by, lien holders is not required for any such amendment.
- 19. TERMINATION: The Condominium may be terminated in the following manner in addition to the manner provided by the Condominium Act.
- 19.1 <u>Destruction</u>. In the event it is determined in the manner elsewhere provided that the apartment building shall not be reconstructed because of major damage, the Condominium plan of ownership will be thereby terminated without agreement.
- 19.2 Agreement. The Condominium may be terminated by the approval in writing of all of the owners of the apartments therein, and by all record owners of mortgages thereon. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of the owners of not less than 75% of the common elements, and of the record owners of all mortgages upon the apartments, are obtained in writing not later than thirty (30) days from the date of such meeting, then the approving owners shall have an option to buy all of the apartments of the other owners for the period ending on the sixtieth day from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approvals shall be irrevocable. Such option shall be upon the following terms:
 - (A) Exercise of option. The option shall be exercised by delivery or mailing by certified mail to each of the record owners of the apartments to be purchased of an agreement to purchase signed by the record owners of apartments who will participate in the purchase. Such agreement shall indicate which apartments will participate in the purchase. Such agreement shall indicate which apartments will be purchased by each participating owner and shall agree to purchase all of the apartments owned by owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.
 - (B) Price. The sales price of each apartment shall be the fair market value determined by agreement between the seller and purchaser within thirty days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by; the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.
 - (C) Payment. The purchase price shall be paid in cash.
 - (D) <u>Closing</u>. The sale shall be closed within ten (10) days following the determination of the sales price.
- 19.3 <u>Certificate</u>. The termination of the Condominium in either of the foregoing manners shall be evidenced by a Certificate of the Association executed by the President and Secretary certifying as to

facts effecting the termination, which Certificate shall become effective upon being recorded in the Public Records of Collier County, Florida.

- 19.4 Shares of owners after termination. After termination of the Condominium, apartment owners shall own the condominium property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and lien upon the respective undivided shares of the apartment owners. Such undivided shares of the apartments owners shall be the same as the undivided shares in the common elements appurtenant to the owners' apartments prior to the termination.
- 19.5 <u>Amendment</u>. This section concerning termination a unit cannot be amended without consent of all apartment owners and of all record owners of mortgages upon apartments.

20. ENFORCEMENT:

- 20.1 <u>Duty to comply; right to sue</u>. Each unit owner, his family, tenants, guests, and invitees, and the Association shall be governed by, and shall comply with, the Condominium Act, the condominium documents and the rules and regulations of the Association. Actions for damages or for injunctive relief, or both, for failure to comply may be brought by the Association or by a unit owner against:
 - (A) The Association;
 - (B) A unit owner;
 - (C) Anyone who occupies a unit or is a tenant or guest in a unit; or
 - (D) Any officer or Director who willfully and knowingly fails to comply.
- 20.2 Waiver of rights. The failure of the Association, or any member of the Association, to enforce a right, option, provision, covenant or condition which may be granted by the condominium documents shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future. A provision of the Condominium Act may not be waived by a unit owner if the waiver would adversely affect the rights of the owner or defeat the purpose of the provision, except that unit owners or Directors may waive the rights of action notice of specific meetings as provided in the Bylaws. A written instrument or instruction given by a purchaser or unit owner to an escrow agent may be relied upon by the escrow agent, regardless of whether such instruction and the payment of funds thereunder might otherwise constitute a waiver of any provision of the Condominium Act or the condominium documents.
- 20.3 Attorney's fees. In any legal proceeding arising out of the alleged failure of a guest, tenant, unit owner or the Association to comply with the requirements of the Condominium Act, the condominium documents, or the Association's rules and regulations, as they may be amended from time to time, the prevailing party shall be entitled to recover its attorney's fees and costs as awarded by the court.
- 20.4 No election of remedies. All rights, remedies and privileges granted to the Association or unit owners under the law and the condominium documents are intended to be cumulative. The exercise of any one or more of them shall not be deemed an election of remedies, nor shall it preclude the exercise of any other rights, remedies, or privileges that may be available.

21. RIGHTS OF MORTGAGEES:

- 21.1 Approvals. Written consent of the mortgagees of a unit shall be required for any amendment to the Declaration that would decrease the unit's share of ownership of the common elements, except as otherwise provided in Sections 18.5(C), 18.6(C) and 18.8 above.
- 21.2 <u>Notice of casualty or condemnation</u>. In the event of condemnation, eminent domain proceedings, or very substantial damage to, or destruction of, any building or any improvements on the common elements of a condominium, or on the association property, the record holder of any first mortgage shall be entitled to notice by the Association, but failure by the Association to give or receive the notice does not give rise to a cause of action against the Association.
- 21.3 First mortgage foreclosure. If the mortgage of a first mortgage of record, or any other person, becomes the owner of a condominium parcel as a direct result of foreclosure of the mortgage, or a deed given in lieu of foreclosure, the liability of that owner for unpaid assessments for common expenses attributable to the condominium parcel, or chargeable to the former owner of the parcel, which came due prior to the current owner's acquisition of title, shall be limited to the amount the first mortgagee or other acquirer is required to pay under the Condominium Act, as amended from time to time. No acquirer of title to a condominium parcel by foreclosure, or by a deed in lieu of foreclosure, may be excused from paying any assessments coming due during the period of the acquirer's ownership.
- 21.4 Redemption. If proceedings are instituted to foreclose a mortgage or other lien on any unit, the Association, on behalf of one or more unit owners and with the permission of the lien holder, may redeem the mortgage or lien for the amount due thereon, and thereby become subrogated to all of the rights of action of the mortgagee or lienor against the unit owner, or the Association may purchase the unit at a judicial sale resulting from the foreclosure. A mortgagee has an absolute right to accept a deed in lieu of foreclosure in full or partial settlement and satisfaction of the mortgage, or to foreclose the mortgage in accordance with its terms, and to bid upon the unit at a judicial sale.
- 21.5 Right to inspect books. The Association shall make available to institutional mortgagees requesting same current copies of the recorded condominium documents, and the most recent financial statements of the Association. "Available" means ready for inspection, within a reasonable time after receipt of a written request from the mortgagee, during normal business hours, or under other reasonable circumstances. Photocopies shall be provided at the expense of the person requesting them.
- 21.6 <u>Financial statement</u>. An institutional mortgagee is entitled, upon written request, to a copy of the most recent financial report or financial statement of the Association.
- 21.7 <u>Lender's notices</u>. Upon written request to the Association, any institutional mortgagee shall be entitled to timely written notice of:
 - (A) Any sixty (60) day or longer delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds a mortgage.
 - (B) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association. An increase in coverage shall not be deemed a material modification under this paragraph, nor shall any change in coverage which is mandatory under the Condominium Act as amended from time to time.
 - (C) Any proposed action that requires the consent of a specified percentage of mortgage holders.

- 22. AMENDMENT OF DECLARATION: Amendments to this Declaration, and to any exhibits to this Declaration that do not provide for their own amendment, shall be proposed and adopted in the following manner:
- 22.1 <u>Proposal</u>. Amendments to this Declaration may be proposed by the Board of Directors, or by written petition to the Board signed by at least one-fourth (1/4th) of the voting interests of this Condominium.
- 22.2 <u>Procedure</u>. If any amendment to this Declaration is duly proposed, the proposed amendment shall be submitted to a vote not later than the next annual meeting for which proper notice can still be given.
- 22.3 <u>Vote required</u>. Except as otherwise expressly provided herein, or by law, this Declaration may be amended if a proposed amendment is approved by at least two-thirds (2/3rds) of the voting interests of this Condominium who are present and voting, in person or by proxy, at any annual or special meeting called for the purpose. Alternatively, amendments may be adopted without a meeting following the procedure set forth in Section 3.12 of the Bylaws.
- 22.4 <u>Certificate: recording.</u> A copy of each adopted amendment shall be attached to a certificate of the Association certifying that the amendment was duly adopted. The certificate shall be executed by the President or a Vice President of the Association with the formalities of a deed, and the amendment becomes effective when that certificate, with a copy of the amendment attached, are recorded in the Public Records of Collier County, Florida.
- 22.5 Proviso. No amendment may change the boundaries or size of any unit in any material fashion, materially alter or modify the appurtenances to a unit, or change the proportion or percentage by which the owner of a unit shares the common expenses and owns the common surplus, unless it is adopted in the manner provided in Section 718.110(4), Florida Statutes (1997), as amended. This proviso does not apply to changes necessitated by the removal of one or more units from the condominium by condemnation or a taking by eminent domain, as provided in Section 18. No amendment shall be effective to unlawfully discriminate against any unit owner, nor against any class of unit owners.
- **22.6** Correction of errors. If there is an omission or error in this Declaration of Condominium or in other documents required by Florida law to establish the Condominium, the Association may correct the error or omission by following the procedures set forth in Sections 718.110(5), 718.110(9) or 718.110(10) of the Condominium Act, as applicable.

23. MISCELLANEOUS:

- 23.1 <u>Severability</u>. The invalidity or unenforceability in whole or in part of any covenant or restriction or any section, subsection, sentence, clause, phrase or word or other provision of this Declaration, or any recorded exhibit to this Declaration, shall not effect the remaining portions.
- 23.2 <u>Applicable statutes</u>. The validity, application and construction of this Declaration and its recorded exhibits shall be governed by the Laws of Florida, particularly the Florida Condominium Act, as it exists on the date hereof.
- 23.3 <u>Conflicts</u>. If there is a conflict between any provision of this Declaration and the Condominium Act, the Condominium Act shall control. If there is a conflict between this Declaration and the Association's Articles of Incorporation or Bylaws, this Declaration shall control.

DECLARATION - FOREST LAKES V

- 23.4 <u>Interpretation</u>. The Board of Directors is responsible for interpreting the provisions of this Declaration and its exhibits, and the Board's interpretation shall be binding upon all persons unless it is wholly unreasonable. A written opinion rendered by Association legal counsel that an interpretation adopted by resolution of the Board is not an unreasonable interpretation shall conclusively establish the validity of such interpretation.
- 23.5 Exhibits. There is hereby incorporated into this Declaration any materials contained in the exhibits hereto which, under the Condominium Act, are required to be within the Declaration.
- 23.6 <u>Number and gender</u>. Whenever the context so requires, the use of the plural shall include both the singular and the plural, and the use of any gender shall be deemed to include all genders.
- 23.7 <u>Headings: emphasis</u>. Paragraph headings, capitalization of certain words and the use of bold print or italics, are for ease of reference and reading convenience. They are not intended as substantive matter to be considered in construing the provisions of these documents.

EXHIBITS TO DECLARATION

The exhibits listed below were recorded on, January 12, 1979, together with the Declaration of Condominium of Forest Lakes V, a Condominium, by Declaration created on the same date, in O.R. Book 791, at Page 356 et seq., Public Records of Collier County, Florida.

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

EXHIBIT "A" - SURVEY, PLOT PLANS, FLOOR PLANS

• The following Exhibits to the Declaration of Condominium are hereby deleted in their entirety:

EXHIBIT "B" - PERCENTAGE OWNERSHIP OF COMMON ELEMENTS AND COMMON SURPLUS

EXHIBIT "C" - RECREATIONAL FACILITY LEASE

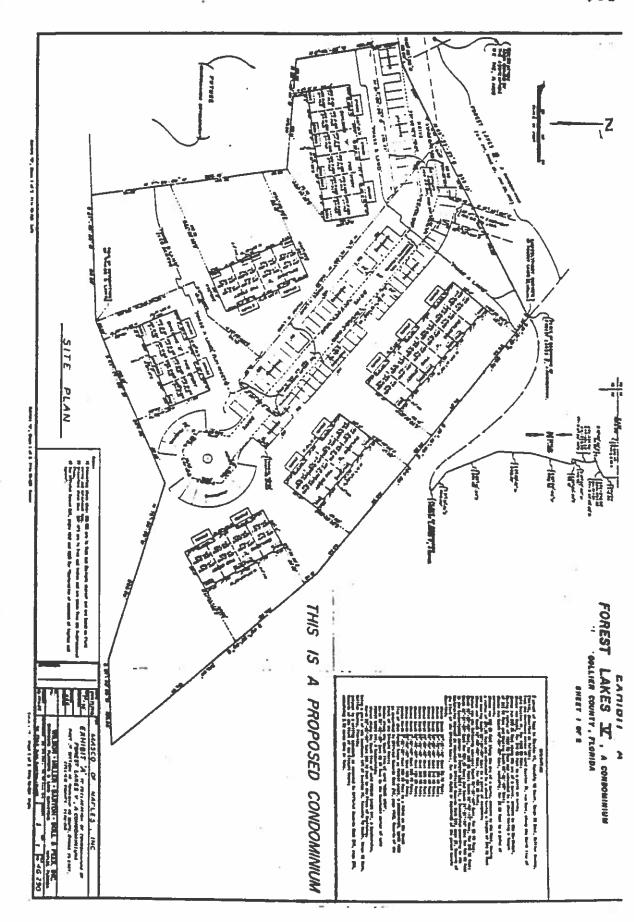
EXHIBIT "F" - OTHER LAND COMPRISING FOREST LAKES PROJECT

EXHIBIT "G" - RULES AND REGULATIONS

• In addition, the following Exhibit "D" and "E" to the original Declaration are renumbered Exhibit "B" and "C" respectfully, are completely amended and restated, and the Restatements are attached hereto and recorded herewith:

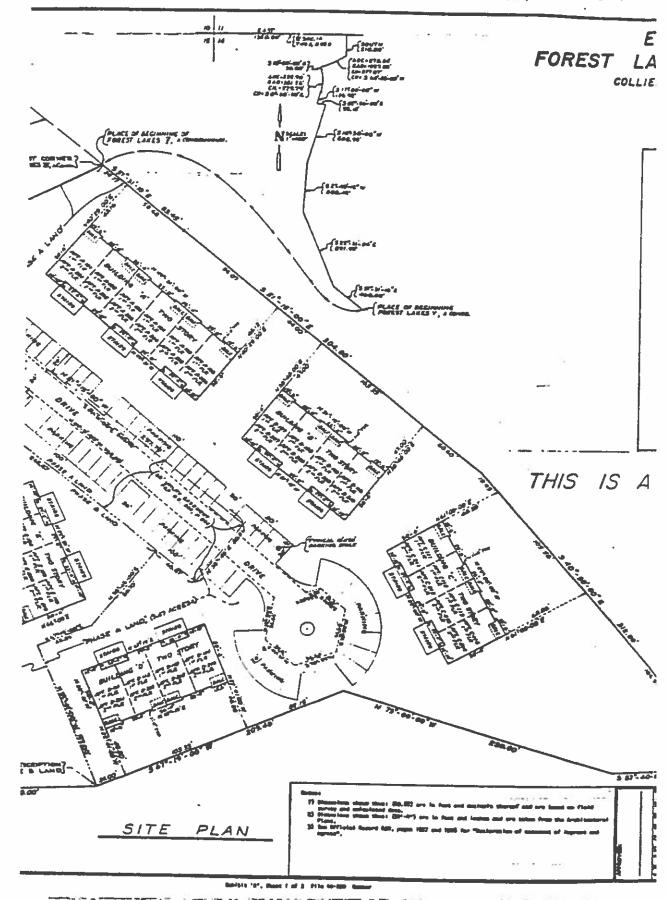
EXHIBIT "B" - ARTICLES OF INCORPORATION OF ASSOCIATION

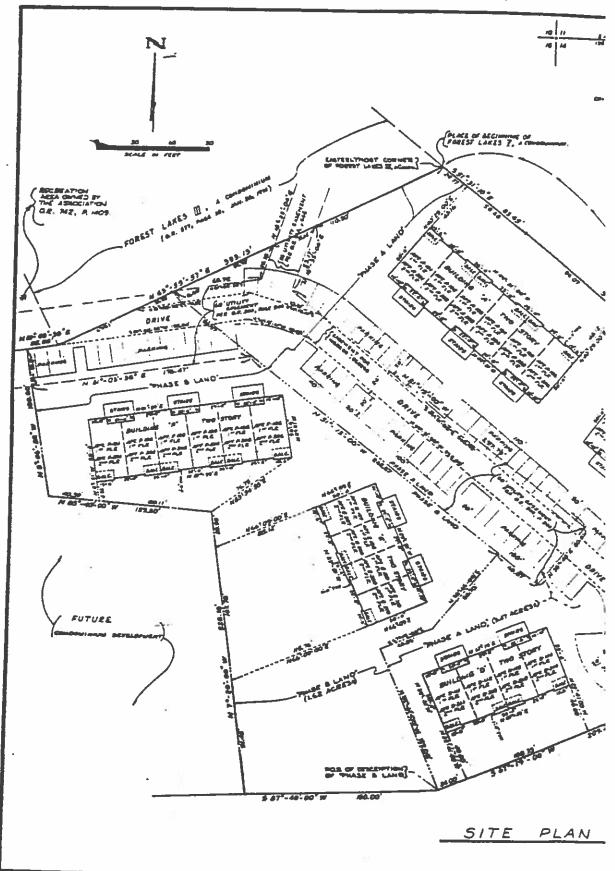
EXHIBIT "C" - BYLAWS OF THE ASSOCIATION



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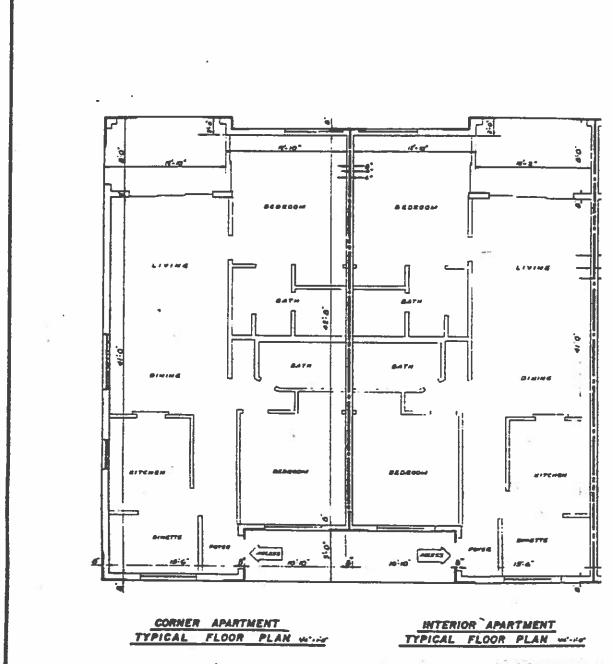




. EXHIBIT "A" FOREST LAKES V , A CONDOMINIUM COLLIER COUNTY , FLORIDA

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CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly and acting President of Forest Lakes Condominium Association, Inc., a Florida corporation not for profit, hereby certifies that at a meeting of the Board of Directors held on <u>January 13</u>, 1997, after due notice, the resolutions set forth below were duly approved by the votes indicated. Thereupon at a meeting of the members held on May 1, 1997, where a quorum was present, after due notice, the resolutions set forth below were duly approved by the votes indicated for the purpose of amending the Declaration of Condominium of Forest Lakes V, a Condominium, as originally recorded in Book 791, at Pages 356 et seq., of the Official Records of Collier County, Florida, and the Bylaws and Articles of Incorporation of the corporation.

1. The following resolution was approved and adopted by at least seventy-five percent (75%) of the members of the Board of Directors, and at least seventy-five percent (75%) of the votes of the entire membership of the Association.

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

2. The following resolution was approved and adopted by at least two-thirds of the members of the Association.

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

3. The following resolution was approved and adopted by at least seventy-five percent (75%) of the votes of the entire membership of the Association.

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

Date: 5/3/97 (1) Witness Print Name: Joan S. Laramy (2) Lail a House	By: Arely Association, INC. By: Harold Lowes , President 1058 Forest Lakes Dr. Naples, FL 34105
Witness Print Name: Gall A Howard	(CORPORATE SEAL)
STATE OF FLORIDA COUNTY OF COLLIER	
	me this 13 day of May, 1997, by d Corporation, on behalf of the Corporation. Helshe is personally identification.

CFFICIAL NOT ARY SEAL
ROBERT E LANGGUTH
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC535820
MY COMMISSION EXP. FEB. 27,2600

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

ROBERTELANGGUIH



Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on May 19, 1997, for FOREST LAKES CONDOMINIUM ASSOCIATION, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is 725371.

Given under my hand and the Great Seal of the State of Morida, at Tallahassee, the Capitol, this the Thirtieth day of May, 1997



CR2EO22 (2-95)

Sandra B. Mortham Secretary of State

Sendre B. Mortham

Page 1

AMENDED AND RESTATED ARTICLES OF INCORPORATION, OF TALLAHARY OF 1.52

FOREST LAKES CONDOMINIUM ASSOCIATION. II

Pursuant to Section 617.1007, Florida Statutes, the Articles of Incorporation of Forest Lakes Condominium Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on January 26, 1973, are hereby amended and restated in their entirety. All amendments included herein have been adopted pursuant to Section 617.1002, Florida Statutes, and there is no discrepancy between the corporation's Articles of Incorporation as heretofore amended and the provisions of these Amended and Restated Articles other than the inclusion of amendments adopted pursuant to Section 617,1002 and the omission of matters of historical interest. The Amended and Restated Articles of Incorporation of Forest Lakes Condominium Association, Inc., shall henceforth be as follows:

ARTICLE I

NAME: The name of the corporation, herein called the "Association", is Forest Lakes Condominium Association, Inc., and its address is 1058 Forest Lakes Dr., Naples, Florida 34105.

ARTICLE II

DEFINITIONS: The definitions set forth in Section 4 of the Declaration of Condominium shall apply to the terms used in these Articles.

ARTICLE III

PURPOSE AND POWERS: The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act for the operation of Forest Lakes Condominiums I, II, III. IV. V and VI, located in Collier County, Florida.

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

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

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

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

ARTICLE IV

MEMBERSHIP:

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

ARTICLE V

TERM: The term of the Association shall be perpetual.

ARTICLE VI

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

ARTICLE VII

DIRECTORS AND OFFICERS:

- (A) The affairs of the Association shall be administered by a Board of Directors consisting of the number of Directors determined by the Bylaws, but in no case less than five (5) Directors, and in the absence of such determination shall consist of five (5) Directors.
- (B) Directors shall be elected by the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.
- (C) The business of the Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected each year by the Board of Directors at its first meeting after the annual meeting of the members of the Association, and they shall serve at the pleasure of the Board.

ARTICLE VIII

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

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

(D) <u>Effective Date</u>. An amendment shall become effective upon proper filing with the Secretary of State and recording a certified copy in the Public Records of Collier County, Florida, with the same formalities as required by law for recording an amendment to the Bylaws.

ARTICLE IX

INDEMNIFICATION: To the fullest extent permitted by Florida law, the Association shall indemnify and hold harmless every Director, officer and volunteer of the Association against all expenses and liabilities, including attorney's fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a Director or officer of the Association. The foregoing right of indemnification shall not be available if a judgement or other final adjudication establishes that his actions or omissions to act were material to the cause adjudicated and involved:

- (A) Willful misconduct or a conscious disregard for the best interests of the Association, in a proceeding by or in the right of the Association to procure a judgement in its favor.
- (B) Violation of criminal law, unless the person seeking indemnification had no reasonable cause to believe his action was unlawful or had reasonable cause to believe his action was lawful.
- (C) A transaction from which the person seeking indemnification derived an improper personal benefit.
- (D) Recklessness, or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard for human rights, safety or property, in an action by or in the right of someone other than the association or a member.

In the event of a settlement, the right to indemnification is subject to the finding by at least a majority of the disinterested Directors that the settlement is in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which a Director or officer may be entitled.

<u>Provisos Related to the Act</u>. It is specifically recognized and agreed that the protections of the above shall fully apply in connection with any legal proceeding which arises or is threatened under the Act because of any decision or recommendation of any Director, officer or committee member to disapprove transfers by reason of age, in which any action arises or is threatened under the Act. Exception: This Article shall not apply to protect Directors, officers or Committee members where they knew or had reason to know with reasonable certainty that the Condominium was not exempted from the Act by Exemption Three.

CERTIFICATE

The undersigned, being the duly elected and acting President and Secretary of Forest Lakes Condominium Association, Inc., hereby certify that the foregoing were duly approved by at least seventy-five percent (75%) of the entire membership of the Board of Directors at a special meeting called for the purpose and held on the 13thlay of January, 1997. The undersigned further certify that the foregoing were approved by at least seventy-five percent (75%) of the votes of the entire membership of the Association on the 1st day of May, 1997, after due notice, in accordance with the requirements of the Articles of Incorporation for their amendment, and that said vote is sufficient for their amendment. The foregoing both amend and restate the amended Articles of Incorporation in their entirety.

both amend and restate the amended Articles of Incorporation in their entirety. Executed this /3 day of MAC FOREST LAKES CONDOMINIUM ASSOCIATION, INC. President Attest: (CORPORATE SEAL) STATE OF FLORIDA COUNTY OF COLLIER Subscribed to before me this 13 day of May, 1997, by Harold Lowes President of Forest Lakes Condominium Association, Inc., a Florida corporation not for profit, on behalf of the corporation. He/she is personally known to me or did produce \(\begin{aligned} \mathcal{V} / \beta \\ \end{aligned} \] identification. OFFICIAL NOTARY SEAL Print name:

ROBERT E LANGGUTH

NOTARY PUBLIC STATE OF FLORIDA

COMMESSION NO. CC585820

MY COMMISSION EXP. FEB. 27,2000

AMENDED AND RESTATED BYLAWS OF FOREST LAKES CONDOMINIUM ASSOCIATION, INC.

- 1. GENERAL. These are the Amended and Restated Bylaws of Forest Lakes Condominium Association, Inc., hereinafter the "Association." This document revokes and supersedes all prior Bylaws in their entirety. The Association is a Florida corporation not for profit organized for the purpose of operating the following six (6) residential condominiums:
 - (A) Forest Lakes I, a Condominium, created by Declaration of Condominium recorded August 1, 1973, in Book 543, at Pages 200 et seq., of the Official Records of Collier County, Florida, consisting of 32 units;
 - (B) Forest Lakes II, a Condominium, created by Declaration of Condominium recorded December 21, 1973, in Book 569, at Pages 003 et seq., of the Official Records of Collier County, Florida, consisting of 52 units;
 - (C) Forest Lakes III, a Condominium, created by Declaration of Condominium recorded February 4, 1974, in Book 577, at Pages 038 et seq., of the Official Records of Collier County, Florida, consisting of 33 units;
 - (D) Forest Lakes IV, a Condominium, created by Declaration of Condominium recorded September 23, 1974, in Book 602, at Pages 1181 et seq., of the Official Records of Collier County, Florida, consisting of 135 units;
 - (E) Forest Lakes V, a Condominium, created by Declaration of Condominium recorded January 12, 1979, in Book 791, at Pages 356 et seq., of the Official Records of Collier County, Florida, consisting of 56 units;
 - (F) Forest Lakes VI, a Condominium, created by Declaration of Condominium recorded January 22, 1980, in Book 852, at Pages 1085 et seq., of the Official Records of Collier County, Florida, consisting of 44 units;

and certain common facilities serving the condominiums. All prior Bylaws are hereby revoked and superseded in their entirety.

- 1.1 <u>Principal Office</u>. The principal office of the Association is at 1058 Forest Lakes Dr., Naples, Florida 34105.
- 1.2 <u>Seal</u>. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.
- 1.3 <u>Definitions</u>. The terms used herein shall have the same definitions as stated in the Declarations of Condominium to which these Bylaws are attached as an Exhibit.
- 2. MEMBERS. The members of the Association are the record owners of legal title to the units. In

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the case of a unit subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the unit solely for purposes of determining voting and use rights.

- 2.1 Change of Membership. A change of membership shall become effective after all of the following events have occurred.
 - (A) Designation, if required, of a primary occupant.
 - (B) Approval by the Board of Directors as provided for in Section 14 of the Declaration of Condominium.
 - (C) Recording in the Public Records of a Deed or other instrument evidencing legal title to the unit in the member.
 - (D) Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.
- 2.2 Voting Rights: Voting Interests. The members of the Association are entitled to one (1) vote for each unit owned by them. The total number of condominium units within Forest Lakes is three hundred fifty-two (352), so the total number of "voting interests of the Association" is three hundred fifty-two (352) votes. When a vote of the owners of units in any single condominium is required, the total number of "voting interests of that condominium" is equal to the number of units in that condominium. The vote of a unit is not divisible. The right to vote may not be denied because of delinquent assessments. If a unit is owned by one natural person or a single trustee, the record owner has the right to vote. If a unit is owned jointly by two or more natural persons or trustees, that unit's vote may be cast by any one of the record owners. If two or more owners of a unit do not agree among themselves as to how their one (1) vote shall be cast on any question, that vote shall not be counted on that question. If the owner of a unit is a corporation, the vote of that unit may be cast by the president or a vice-president of that corporation. If a unit is owned by a partnership, its vote may be cast by any general partner of that partnership.
- 2.3 Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such unit at an Association meeting as stated in Section 2.2 above, unless the written joinder of all record owners is specifically required.
- 2.4 <u>Termination of Membership</u>. Termination of membership in the Association does not relieve or release any former member from liability or an obligation incurred under, or in any way connected with, the Condominium during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former member arising out of or in any way connected with such membership and the covenants and obligations incident thereto.
- 3. MEMBERS' MEETINGS; VOTING.
- 3.1 Annual Meeting. The annual meeting of the members shall be held in Collier County, Florida, each calendar year during the month of February, at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. At the time of the annual meeting all ballots cast in the annual election of Directors will be counted and the election results announced.

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- 3.2 <u>Special Members' Meetings</u>. Special members' meetings must be held whenever called by the President or by a majority of the Board of Directors. Special meetings may also be called by members comprising at least ten percent (10%) of the voting interests of the Association, provided that the notice of the meeting is signed by all the members calling the meeting. Business at any special meeting shall be limited to the items specified in the notice of meeting.
- 3.3 <u>Notice of Meetings</u>. Notice of all members' meetings must state the time, date, and place of the meeting and include an agenda for the meeting. The notice must be mailed to each member at the most recent address which appears on the books of the Association, or may be furnished by personal delivery. The member bears the responsibility for notifying the Association of any change of address. The notice must be mailed or delivered at least fourteen (14) days before the meeting. Notice of any meeting may be waived in writing by any person entitled to receive such notice.
- 3.4 Notice of Annual Meeting: Special Requirements. Notice of the annual meeting, together with an agenda, shall be posted as required by law in a conspicuous place on the condominium property for at least fourteen (14) continuous days prior to the annual meeting. The notice and agenda of the annual meeting shall also be sent by first class mail to each owner, and an affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of mailing as an alternative to mailing notice of the annual meeting may be delivered in person to any unit owner, but only, if a written waiver of mailing is obtained from the owner.
- 3.5 Quorum. A quorum at a members' meeting is attained by the presence, either in person or by proxy, of at least a majority of the voting interests of the Association. Once a quorum has been attained, the subsequent withdrawal of members from a meeting does not affect the existence of a quorum for the remainder of that meeting.
- 3.6 <u>Vote Required</u>. The acts or proposals approved by a majority of the votes cast at a duly called meeting of the members at which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a greater or different number of votes is required by law or by any provision of the condominium documents. All questions to be voted on by the members at a meeting may be voted on by all members present, except as otherwise provided in the condominium documents or by law, and except that:
 - (A) only the owners of units within a particular Condominium may vote on a proposal to amend their own Declaration of Condominium:
 - (B) only the owners of units within a particular Condominium may vote in the election of Directors to represent their interests;
 - (C) only the owners of units within a particular condominium may vote, to the extent a vote is necessary, on material alterations of the condominium property, or on special assessments payable only by owners in that condominium; and
 - (D) only the owners of units within a particular condominium may vote on the waiver of the funding of reserves for that condominium.
- 3.7 <u>Proxy Voting</u>. To the extent lawful, any person entitled to attend and vote at a members meeting may establish his presence and cast his vote by proxy. Proxies may not be used in electing Directors.

Limited proxies shall be used for votes taken to waive reserves or financial statement requirements, to amend the condominium documents, and for all other matters for which the Condominium Act requires or permits a vote of the members. General proxies may be used to establish a quorum, for procedural votes, and for non-substantive amendments to proposals for which a limited proxy is being used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the unit, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy.

- 3.8 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time and place by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.
- 3.9 Order of Business. The order of business at members' meetings shall be substantially as follows:
 - (A) Counting of ballots in annual election (if necessary)
 - (B) Call of the roll or determination of quorum.
 - (C) Reading or waiver of reading the minutes of the last members meeting
 - (D) Reports of Officers
 - (E) Reports of Committees
 - (F) Unfinished Business
 - (G) New Business
 - (H) Adjournment
- 3.10 Minutes. Minutes of all meetings of the members, and of the Board of Directors, shall be kept in a businesslike manner, available for inspection by members or their authorized representatives at all reasonable times, and for at least seven (7) years after the meeting. Minutes must be reduced to written form within thirty (30) days after the meeting at which they were taken.
- 3.11 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with these Bylaws. The presiding officer may appoint a Parliamentarian to advise on matters of procedure, but the decision of the Presiding Officer on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.
- 3.12 Action by Members Without Meeting. Except the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the members may be taken by mail without a meeting if written consents or other instruments expressing approval of the action proposed to be taken are signed and returned by members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect as if the action had been approved by vote of the members

at a meeting of the members held on the sixtieth (60th) day. Within ten (10) days thereafter, the Association must send written notice of the action taken to all members who did not consent in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the members, as provided for by Section 3.2 above, or by law. If a vote is taken by the method described in this Section 3.12, the list of unit owners on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

- 4. BOARD OF DIRECTORS: The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these Bylaws, are exercised by the Board, subject to approval or consent of the unit owners only when expressly required.
- 4.1 Number and terms of service. The Board of Directors shall be comprised of fifteen (15) Directors. Two (2) Directors shall be elected by the unit owners in each Condominium in Forest Lakes, except that the unit owners in Forest Lakes IV shall elect four (4) Directors. The Director at Large shall be elected by the Board of Directors at its annual organizational meeting for a one (1) year term, expiring at the final adjournment of the next annual meeting. Each Director elected by the unit onwers shall be elected for a two (2) year term, expiring at the final adjournment of the annual meeting at which his successor is to be duly elected. Directors shall be elected as described in Section 4.3 below, or when there is a vacancy between annual elections, as provided in Section 4.4 below.
- **4.2** Qualifications. No person is eligible to serve more than two (2) consecutive two (2) year terms as a Director, but after a hiatus of at least one year, such person shall again be eligible for election to the Board of Directors. Initial terms of office of less than one year resulting from being appointment to fill a vacancy do no count as part of the two (2) consecutive terms. The provisions of this Section 4.2 shall not impair the ability of the Board to appoint any person as a Director at Large, or to fill a mid-term vacancy on the Board. Each Director representing a particular Condominium must be a unit owner or the spouse of a unit owner in that Condominium. The Director elected at-large must be an owner or the spouse of an owner.
- **4.3** Elections. In each annual election the members shall elect, by written secret ballot, as many Directors as there are vacancies to be filled, unless the balloting is dispensed with as provided for by law.
 - (A) <u>First notice</u>; candidates. Not less than sixty (60) days before the election, the Association shall mail or deliver to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person wishing to be a candidate may qualify as such by giving written notice to the Association at least forty (40) days before the annual election.
 - (B) Second notice; candidate information sheets. If there are more candidates than there are Directors to be elected, balloting is required. At least fourteen (14) days before the election, the Association shall mail or deliver a second notice of election, together with the formal notice of the annual meeting, to all unit owners entitled to vote in the contested election, together with a ballot listing all qualified candidates in alphabetical order, by surname. Upon timely request of a candidate, the Association shall also include an information sheet (no larger than 8-1/2 inches by 11 inches, furnished by the candidate) in the mailing. The costs of mailing and copying the candidate information sheets timely provided to the Association are borne by the Association.
 - (C) <u>Balloting</u>. Where balloting is required, Directors shall be elected by a plurality of the votes

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cast, provided that at least twenty percent (20%) of the eligible voters cast ballots. Proxies may not be used in the election. In the election of Directors, each unit shall have as many votes as there are Directors to be elected representing that unit, but no unit may cast more than one vote for any candidate, it being the intent hereof that voting for Directors shall be non-cumulative. Tie votes shall be broken by agreement among the candidates who are tied, or if there is no agreement, by lot, or by any other method required or permitted by law.

- (D) Elections for terms of varying lenghts. If for any reason there arise circumstances in which one or more Directors must be elected for a two-year term in the same election in which another Director is to be elected for a one-year term, the candidate(s) receiving the most votes shall be elected to the longer term.
- 4.4 Vacancies on the Board. If the office of any Director becomes vacant for any reason, a successor or successors to fill the remaining unexpired term or terms shall be appointed or elected as follows:
 - (A) If a vacancy is caused by the death, disqualification or resignation of a Director, a majority of the remaining Directors, though less than a quorum, shall appoint a successor, who shall hold office until the next regular scheduled election, unless otherwise provided in the Condominium Act.
 - (B) If a vacancy occurs as a result of an increase in the number of Directors, or a recall, and less than a majority of the Directors are removed, the vacancy may be filled by appointment by a majority of the remaining Directors, even though less than a quorum. If vacancies occur as a result of a recall in which a majority or more of the Directors are removed from office, the vacancies shall be filled in accordance with procedural rules of the Division of Florida Land Sales, Condominiums and Mobile Homes governing the method of selecting successors, and providing procedures for the operation of the Association during the period after the recall but prior to the designation of successor Directors sufficient to constitute a quorum.
- 4.5 Removal of Directors from office. Any Director may be removed with or without cause by a majority vote of the owners, either by a written petition or at any meeting called for that purpose, as further provided herein and in Chapter 61B-23, Florida Administrative Code. If a meeting is held or a petition is filed for the removal of more than one Director, the question shall be determined separately as to each Director sought to be removed. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given. Directors appointed by the Board of Directors may be removed by the majority vote of the Directors.
- 4.6 Organizational meeting. An organizational meeting of the Board of Directors shall be held within ten (10) days after the election of any new Directors b;y the members.
- 4.7 Other meetings. Meetings of the Board may be held at such time and place in Collier County Florida, as shall be determined from time to time by a majority of the Directors. Notice of meetings, whether regular or special, shall be given to each Director, personally or by mail, telephone, telegram, or facsimile at least two (2) days prior to the day named for such meeting. Any Director may waive notice of a meeting, before or after the meeting. If all Directors are present at a meeting, no notice to Directors shall be required.
- 4.8 Notice to owners. All meetings of the Board of Directors shall be open to the members. A notice

and agenda for all Board meetings shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours in advance, except in an emergency. Notice of any Board meeting where a non-emergency special assessment or a rule restricting unit use may be approved must be mailed to each owner at least fourteen (14) days before the meeting, and an affidavit of mailing shall be retained as proof of mailing. Notice of any Board meeting at which a budget may be adopted or amended shall be given as stated in Section 6.2 below. The right of owners to attend Board meetings includes the right to speak on designated agenda items, subject to reasonable rules of the Association governing the manner, duration and frequency of doing so.

- **4.9** Waiver of notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.
- 4.10 Quorum of Directors. A quorum exists at a Board meeting only when at least a majority of all Directors are present in person at a duly called meeting. Directors may participate in any meeting of the Board, by a conference telephone call or other similar communicative arrangement whereby all persons present can hear and speak to all other persons. A Director's participation in a Board meeting by such means is equivalent to presence in person. Directors may not vote or participate in Board meetings by proxy or by secret ballot, except that officers may be elected by secret ballot.
- 4.11 <u>Vote required</u>. The acts approved by a majority of those Directors present and voting at a duly called meeting when a quorum exists are the acts of the Board of Directors, unless approval by a greater number of Directors is expressly required by the condominium documents or by applicable statutes. A Director who is present at a meeting of the Board shall be deemed to have voted with the prevailing point of view on every question, unless he voted against the question, or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon must be recorded in the minutes.
- 4.12 <u>Adjourned meetings</u>. A majority of the Directors present at any duly called meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a later specific time and date. When a meeting is so reconvened, provided a quorum is then present, any business may be transacted that might have been transacted at the meeting originally as called.
- **4.13** Presiding officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of the Directors present.
- 4.14 <u>Compensation of Directors and officers</u>. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.
- 4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Association. Each committee shall have the powers and duties assigned to it in the resolution creating the committee. If a committee has the authority delegated to it to act for and in the place of the Board or make recommendations to the Board regarding the Association's budget, the committee must conduct its meetings, and give notice of such meetings, with the same formalities as required for Board meetings. All other committees are exempt from this requirement.

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- 4.16 Emergency powers. In the event of any "emergency" as defined in Section 4.16(G) below, the Board of Directors may exercise the emergency powers described below, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes (1995), as amended from time to time.
 - (A) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.
 - (B) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.
 - (C) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.
 - (D) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttal presumption of being reasonable and necessary.
 - (E) Any officer, director, or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.
 - (F) These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.
 - (G) For purposes of this Section only, an "emergency" exists only during a period of time that the condominium, or the immediate geographic area in which the condominium is located, is subjected to:
 - (1) a state of emergency declared by local civil or law enforcement authorities;
 - (2) a hurricane warning;
 - (3) a partial or complete evacuation order;
 - (4) federal or state "disaster area" status; or
 - (5) a catastrophic occurrence, whether natural or manmade, which seriously damages or threatens to seriously damage the physical existence of the condominium, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or act of terrorism.

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

- 5. OFFICERS. The executive officers of the Association shall be a President and a Vice-President, who must be Directors, and a Treasurer and a Secretary, all of whom shall be elected by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of the Directors. Any person except the President may hold two or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President. Any officer may resign at any time by giving written notice to the Association and unless otherwise specified therein, the resignation shall become effective upon receipt.
- **5.1** President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the members and Directors; shall be *ex officio* a member of all standing committees; shall have general and active management of the business of the Association; and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts requiring the seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.
- 5.2 <u>Vice-Presidents</u>. The Vice-Presidents, in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.
- 5.3 Secretary. The Secretary shall attend meetings of the Board of Directors and of the members and cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for standing committees when required. The Secretary shall give, or cause to be given, proper notice of all meetings of the members, and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one is elected.
- 5.4 <u>Treasurer</u>. The Treasurer shall be responsible for Association funds and securities, budget preparation, the keeping of full and accurate accounts in books belonging to the Association. The Treasurer is responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board. The Treasurer shall oversee the disbursement of Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if one is elected.
- 6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declarations of Condominium shall be supplemented by the following:
- **6.1** <u>Depository.</u> The Association shall maintain its funds in federally insured accounts in such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of funds from such accounts shall be only by persons authorized by the Board.

- 6.2 Annual budgets. The Board of Directors shall adopt budgets of common expenses as required by law for each fiscal year. There shall be a separate budget for each condominium including all expenses directly attributable to that condominium, such as property insurance, building maintenance, and reserves for capital expenditures and deferred maintenance. There shall also be a separate budget of Association expenses, such as the expenses of operating the common areas serving the condominiums, and all overhead expenses not attributable to any one condominium, such as liability insurance, professional and management fees, and reserves for association property. Each condominium's budget shall contain as a line item that condominium's share of the Association's budget. A copy of the proposed budgets and a notice stating the time, date and place of the meeting of the Board at which the budgets will be adopted shall be mailed to or hand delivered to the owner of each unit at the last address furnished to the Association not less than fourteen (14) days prior to that meeting. Evidence of compliance with this fourteen (14) day notice must be made by an affidavit executed by an officer of the Association or the manager or other person providing notice of the meeting and filed among the official records of the Association. The proposed budget for each Condominium shall be sent only to the unit owners in that Condominium. The proposed budgets shall be detailed and shall show the amounts budgeted by income and expense classifications, including without limitation those specified in Section 718.504(20)(c) of the Condominium Act, if so required by law. The budget meeting must be open to the unit owners.
- 6.3 Statutory reserves for capital expenditures and deferred maintenance. In addition to operating expenses, each proposed budget must include provisions for funding reserve accounts for capital expenditures and deferred maintenance, as required by law. These accounts include roof replacement, building painting, and pavement resurfacing. They must also include any other planned or foreseeable capital expenditure or deferred maintenance item with a current estimated cost of \$10,000 or more. The amount to be reserved for each item shall be computed by a formula based on the estimated remaining useful life and the replacement cost of the item. The reserves in the Association's budget must be funded unless the members of the Association have, by a majority of the voting interests present in person or by proxy and voting at a duly called meeting of the Association, determined to fund no reserves, or less than adequate reserves, for a fiscal year. The vote to waive or reduce the funding of reserves, if any vote is taken, may occur only after the proposed budget has been mailed to the unit owners as required in Section 6.2 above. The funds in a reserve account established under this Section 6.3, and all interest earned on the account, shall be used only for the purposes for which the reserve account is established, unless use for another purpose is approved in advance by a majority of the voting interests who are subject to assessment to fund those reserves, at a meeting called for the purpose.
- 6.4 Special requirements for condominium reserves. Waiver or reduction of the funding of statutory reserves for capital expenditures or deferred maintenance of property within a single condominium is not effective unless conducted at a meeting at which a majority of the voting interests of that condominium are present, in person or by proxy, and a majority of those present vote to waive or reduce the reserves. The same requirement applies to any vote to use statutory reserves funds for purposes other than the purposes for which the funds were originally reserved.
- **6.5** Operating reserves. In addition to the statutory reserves described in Section 6.3 above, or in place of them if the members so vote, the Board may establish one or more additional accounts in the operating budget to provide reserves for contingencies, operating expenses, repairs, cash flow shortages, minor improvements or special projects. These reserves offset cash flow shortages, provide financial stability, and avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be included in the proposed annual budget. These funds may be spent for any purpose approved by the Board.

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- 6.6 Assessments; installments. Annual assessments based on an adopted budget shall be payable in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to the members at least fifteen (15) days prior to the due date, but failure to send (or receive) the notice does not excuse the obligation to pay. If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and payments shall be continued on that basis until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment.
- **6.7** Special assessments. Special assessments may be levied by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The total of all special assessments coming due against the units in any one condominium in Forest Lakes for expenses attributable only to that Condominium in any fiscal year shall not exceed fifteen percent (15%) of the total annual budget for that Condominium for that fiscal year (including reserves), unless a majority of the voting interests of that Condominium first approve. The total of all special assessments coming due uniformly against all members in any fiscal year shall not exceed fifteen percent (15%) of the total Association budget for that fiscal year (including reserves) unless a majority of the voting interests of the Association first consent. Special assessments may be imposed by the Board of Directors to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessments. The notice of any Board meeting at which a special assessment will be considered shall be given as provided in Section 4.8 above; and the notice to the owners that the assessment has been levied must contain a statement of the purpose(s) of the assessment. The funds collected must be spent for the stated purpose(s) or returned to the members as provided by law.
- **6.8** <u>Fidelity bonds</u>. The President, Secretary and Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The cost of such bonds is a common expense.
- **6.9** Financial reports. In accordance with Section 718.111 (14), of the Condominium Act, not later than (90) days respectively after the close of each fiscal year, the Board shall distribute to the owners of each unit a report showing in reasonable detail the financial condition of the Association as of the close of the fiscal year, and an income and expense statement for the year, detailed by accounts.
- **6.10** Fiscal year. The fiscal year for the Association shall begin on the first day of January of each calendar year. The Board of Directors may adopt a different fiscal year in accordance with law and the regulations of the Internal Revenue Service.
- 7. RULES AND REGULATIONS. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the use, maintenance, management and control of the common elements and the operation of the Association. Copies of such rules and regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owners, and uniformly applied and enforced.

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- 8. ASSOCIATION REMEDIES FOR NON-COMPLIANCE; FINES. In addition to the remedies provided in Section 20 of the Declaration of Condominium, the following shall apply:
- **8.1** Fines. The Board of Directors may levy fines against units whose owners commit violations of the Condominium Act, the provisions of the condominium documents, or the rules and regulations, or who condone such violations by their family members, guests or lessees. Fines shall be in amounts deemed necessary by the Board to deter future violations, but no fine may ever exceed the maximum amount allowed by law, and no fine may be levied against an unoccupied unit. The procedure for imposing fines shall be substantially as follows:
 - (A) Notice: The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable written notice of not less than fourteen (14) days, and the notice shall include:
 - (1) A statement of the date, time and place of the hearing;
 - (2) Identification of the specific provisions of the Declaration, Bylaws or rules that are alleged to have been violated;
 - (3) A short and plain statement of the specific facts giving rise to the alleged violation(s); and
 - (4) The possible amount of any proposed fine.
 - (B) <u>Hearing</u>: At the hearing the party sought to be fined shall have a reasonable opportunity to respond, to present evidence, to provide written and oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony presented by the Association. The hearing shall be conducted before a panel of at least three (3) unit owners or spouse of unit owners appointed by the Board, none of whom may then be serving as officers or Directors, or active candidates for election to the Board. If the panel, by majority vote does not agree with the fine, it may not be levied.
- **8.2** Mandatory non-binding arbitration. In the event of any dispute as defined in Section 718.1255(1) of the Condominium Act, between a unit owner and the Association arising from the operation of a condominium, the parties must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Land Sales, Condominiums and Mobile Homes before filing any lawsuit over the disputed matters. Nothing herein shall be construed as intended to require arbitration of disputes related to the levy or collection of fees or assessments.
- **8.3** Availability of remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the right of the majority to enjoy the condominium property free from unreasonable disruptions and annoyance by the minority.
- 9. AMENDMENT OF BYLAWS. Except as otherwise provided in the Declaration of Condominium, amendments to these Bylaws shall be proposed and adopted in the following manner:

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*** OR: 2320 PG: 2089 ***

- 9.1 <u>Proposal</u>. Amendments to these Bylaws may be proposed by a majority of the Board, or by written petition to the Board signed by at least one-fourth (1/4th) of the voting interests of the Association.
- **9.2** Procedure. If any amendment to these Bylaws is so proposed by the Board or the unit owners, the proposed amendment shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can be given.
- 9.3 <u>Vote required</u>. Except as otherwise provided by law, or by specific provision of the condominium documents, a proposed amendment shall be adopted if it is approved by at least two-thirds (2/3rds) of the voting interests of the Association present in person or by proxy and voting at any annual or special meeting called for the purpose. Proposed amendments may also be adopted by the procedure described in Section 3.12 of these Bylaws.
- 9.4 Recording: effective date. A copy of each adopted amendment to these Bylaws shall be attached to a certificate attesting that the amendment was duly adopted, which certificate shall be executed by the President or Vice President of the Association. The amendment is effective when the executed certificate and copy of the amendment are recorded in the Official Records of Collier County, Florida. The certificate must identify the book and page of the Public Records where the Declaration of Condominium for each of the condominiums operated by the Association was originally recorded, which information appears on Page 1 of these amended and Restated Bylaws.

10. MISCELLANEOUS.

- 10.1 Gender; number. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.
- 10.2 <u>Severability</u>. Should any word, phrase, sentence, paragraph or Section of these Bylaws be void or become unenforceable, the remaining provisions shall remain in full force and effect.
- 10.3 <u>Conflict</u>. If there is any irreconcilable conflict between any provision of these Bylaws and one or more provisions of a Declaration of Condominium or Articles of Incorporation, the provisions of the Declaration or the Articles of Incorporation shall prevail over the provisions of these Bylaws.