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SYD CROSBY, FLAGLER COUNTY

BY:  D.C. 9:14

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**DECLARATION OF CONDOMINIUM
FOR
PALM POINTE CONDOMINIUM, a condominium**

**I.
SUBMISSION STATEMENT**

BETNR INDUSTRIAL DEVELOPMENT CORPORATION, a Massachusetts corporation, being the owner of record of the fee simple title to the real property situate, lying and being in Flagler County, Florida, as more particularly described and set forth on "Exhibit A", attached hereto, hereby states and declares that said real property, together with the improvements thereon, is hereby submitted to condominium ownership pursuant to The Condominium Act of the State of Florida and the provisions of said Act are hereby incorporated by reference herein, and does hereby file for record this Declaration of Condominium.

Definitions: As used in this Declaration of Condominium, Bylaws and Exhibits attached hereto, and all amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

A. ASSOCIATION means PALM POINTE CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, which entity is responsible for the operation of the condominium.

- B. **ASSESSMENT** means a share of the funds required for the payment of Common Expenses which, from time to time, are assessed against the Unit Owners.
- C. **BOARD OF ADMINISTRATION** or **BOARD OF DIRECTORS** means the representative body responsible for administration of the Association.
- D. **BYLAWS** means the Bylaws of the Association, as they exist from time to time.
- E. **COMMON ELEMENTS** means the portions of the condominium property not included in the Units. Common Elements shall also include any reference to common areas and shall include same.
- F. **COMMON EXPENSES** means all expenses and assessments properly incurred by the Association for the Condominium.
- G. **COMMON SURPLUS** means all receipts of the Association including, but not limited to, assessments, rents, profits and revenues with respect to the Common Elements, in excess of the amount of Common Expenses.
- H. **CONDOMINIUM** means that form of ownership of real property under which units or improvements are subject to ownership by one or more owners, and there is appurtenant to each Unit, as part thereof, an undivided share in the Common Elements.
- I. **CONDOMINIUM ACT** means Florida Statutes Chapter 718 or its successor, as it may be amended from time to time.

J. CONDOMINIUM DOCUMENTS mean this Declaration, the Bylaws and all Exhibits annexed thereto, as the same may be amended from time to time.

K. CONDOMINIUM PARCEL or PARCEL means a Unit, together with the undivided share in the Common Elements which are appurtenant to the Unit.

L. CONDOMINIUM PROPERTY means and includes the land of the condominium, whether or not contiguous, and all improvements thereof, together with all easements and rights appurtenant thereto, intended for use in connection with the condominium.

M. CONDOMINIUM UNIT or UNIT is a Unit as defined in The Condominium Act, referring therein to each of the separate and identified units delineated in the survey attached to the Declaration of Condominium as Exhibit "B", and when the context permits, the Condominium Parcel includes such Unit, including its share of the Common Elements appurtenant thereto.

N. DEVELOPER means BETNR INDUSTRIAL DEVELOPMENT CORP., a corporation, its successors and assigns.

O. INSTITUTIONAL MORTGAGEE means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States, an agency of the United States government, a real estate or mortgage investment trust or a lender generally recognized in the community as an institutional type of lender.

P. **LIMITED COMMON ELEMENTS** means those Common Elements which are reserved for the use of a certain Unit or Units, to the exclusion of all other Units, as specified herein.

Q. **OCCUPANT** means the person or persons, other than the Unit Owner, in possession of a Unit.

R. **UNIT OWNER** means the record title owner of a Condominium Parcel, as recorded in the Public Records of Flagler County, Florida.

S. Unless the context otherwise requires, all other terms used in this Declaration shall be assumed to have the meaning attributed to said term by Florida Statutes Chapter 718 as of the date of this Declaration, and as may be amended from time to time.

II. NAME

The name by which this condominium is to be identified shall be **PALM POINTE CONDOMINIUM**, a condominium.

III. IDENTIFICATION OF UNITS AND FUTURE PHASES

The Condominium Property consists of the land and related improvements as set forth in Exhibit B, together with all designated Common Elements set forth on Exhibit B

For purposes of identification, all Units located on the Condominium Property have been given identifying numbers and are delineated on Exhibit "B" hereto. No Unit bears the same identifying number as any other Unit. The aforesaid identifying number as to the Unit is also the identifying Unit as to the Condominium Parcel. Exhibit "B" also contains a survey of the land, graphic description of the improvements, a plot plan and, together with this Declaration, they are in sufficient detail to identify the location, dimensions and size of the Common Elements and of each Unit. The legend and notes, if any, set forth on Exhibit "B" are incorporated herein and made a part hereof.

IV. OWNERSHIP OF COMMON ELEMENTS

Each Unit of the Condominium shall have as an appurtenance thereto an undivided percentage interest in the Common Elements and Limited Common Elements as set forth in Exhibit "C" attached hereto and incorporated by reference herein.

The fee simple title to each Condominium Parcel shall include both the Condominium Unit and the above-described undivided interest in the Common Elements and Limited Common Elements; said undivided interest to be deemed to be automatically conveyed or encumbered with its respective Condominium Unit. Any attempt to separate the fee simple title to a Condominium Unit from the undivided interest appurtenant to each Unit shall be null and void.

**V.
VOTING RIGHTS**

There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Association and such person shall be known and is hereafter referred to as the "Voting Member". If a Unit is owned by more than one person, the owners of said Unit shall designate one of them as the Voting Member. If the Unit Owner is a corporation, partnership or holds in any form of representative capacity, one person shall be designated the Voting Member. The designation of the Voting Member shall be made as provided by and subject to the Bylaws of the Association.

Each owner or group of owners shall be entitled to one vote for each Unit owned. The vote of a Condominium Unit is not divisible.

**VI.
COMMON EXPENSE AND COMMON SURPLUS**

The Common Expenses of the Condominium shall be shared equally by, between and among all Unit Owners, as specified and set forth in Exhibit "C". Any Common Surplus of the Association shall be owned by each of the Unit Owners in the same percentage specified for sharing Common Expenses.

**VII.
RESTRICTION ON SALES AND LEASING**

Whenever any Unit Owner intends to sell or lease all or any interest in his Unit, that Unit Owner must notify the Association in writing of all terms and conditions of the *bona fide* proposed sale or lease. The Association shall thereupon notify in writing all other Unit Owners, who shall have a first option to elect to match all of the terms and conditions of the proposed sale or lease. A notice of election must be sent by the electing Unit Owner no later than 20 days from the date of the notice of the selling or leasing Unit Owner's interest to sell or lease, by certified mail, return receipt requested, to the selling or leasing Unit Owner, which notice of election must (1) set forth the Unit Owner's election to match all terms and conditions of the initial offer and (2) include payment of any deposit required pursuant to the terms and conditions thereof. In the event more than one Unit Owner elects to match the terms and conditions, the earlier dated notice to elect shall prevail. In

the event a Unit Owner conveys or leases any or all interest in his Unit without complying with this Article, the conveyance or lease shall be null and void.

**VIII.
METHOD OF AMENDMENT TO DECLARATION**

This Declaration may be amended at any regular or special meeting of the Unit Owners, called and convened in accordance with the Bylaws, by the affirmative vote of Voting Members casting not less than a majority of the total voting interests of the Association.

All amendments shall be recorded and certified as required by The Condominium Act. No amendment shall change any Condominium Parcel or a Condominium Unit's proportionate share of Common Expenses, of Common Surplus, percentage interest of Common Elements or the voting rights appurtenant to any Unit, unless the record owner thereof and all record owners of mortgages or other voluntarily placed liens thereof, shall join in the execution of the amendment. No amendment shall be effective which would impair or prejudice the rights and priorities of any mortgages or change the provisions of this Declaration with respect to Institutional Mortgagees of record, and the provisions of Article XI of this Declaration shall not be changed without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of the Developer without the Developer's prior written approval.

Notwithstanding the foregoing provisions of this Article:

A. Developer reserves the right to change the interior design of any Unit and to alter the boundaries between Units so long as Developer owns the Unit so altered. However, no such change shall increase the number of Units or alter the boundaries of the Common Elements, except the party wall between any Condominium Unit, without amendment of this Declaration in the manner herein set forth. If Developer shall make any changes in any Unit, as provided herein, such changes shall be reflected by amendment to this Declaration with a survey attached, evidencing such authorized alteration of the Unit, and said amendment need only be executed and acknowledged by Developer and any holders of Institutional Mortgages encumbering the altered Unit. The survey shall be certified in the manner required by The Condominium Act.

B. Developer, so long as it owns one (1) or more of the Condominium Units, reserves the right at any time to amend the Declaration, as may be required by any lending institution or public body, or in such manner as Developer may determine to be necessary to effect the purposes of the project, provided such amendment shall not increase the proportionate interest of Common Expenses or decrease the ownership of Common Elements of Unit Owners.

IX BYLAWS

The operation of the Condominium Property shall be governed by the Bylaws of the Association which are attached hereto as Exhibit "D".

No modification of or amendment to the Bylaws of said Association shall be valid unless set forth in an amendment executed in the format required by Florida law and recorded in the Public Records of Flagler County, Florida. The Bylaws may be amended in the manner provided for therein but no amendment to said Bylaws shall be adopted which would impair the validity or priority of any recorded mortgage encumbering any Unit or which would change the provisions of the Bylaws with respect to Institutional Mortgagees of record. No amendment shall change the rights and privileges of the Developer without the Developer's written approval.

X. THE OPERATING ENTITY

The operating entity of the Condominium shall be the Association, which has been organized pursuant to The Condominium Act. The Association shall have all of the powers and duties set forth in The Condominium Act together with all powers and duties granted by this Declaration, the Bylaws and the Articles of Incorporation, a copy of said Articles of Incorporation being attached hereto as Exhibit "E".

Every owner of a Condominium Parcel, whether acquired by purchase, gift, conveyance or transfer by operation of law or otherwise, shall be bound by the Bylaws, Articles of Incorporation and this Declaration.

XI. ASSESSMENTS

The Association, through its Board of Directors, shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Condominium Property and such other assessments as are specifically provided for in this Declaration. The procedure for determination of all such assessments shall be as set forth in the Bylaws and this Declaration.

The common expenses shall be assessed against each Unit Owner as set forth in Article VI of this Declaration.

Assessments, installments and/or maintenance fees which remain unpaid for a period of ten (10) days after any date due shall bear interest at the rate of eighteen (18%) percent per annum from the due date until paid. In addition, a late charge of Twenty-five (\$25.00) Dollars shall be due and payable at the discretion of the Board of Directors. Regular assessments shall be due and payable monthly on the first day of each month.

The Association shall have a lien upon each Condominium Unit for unpaid assessments, together with interest thereon, against the Unit Owner of such Condominium

Unit. Reasonable attorneys' fees incurred by the Association incident to the collection of assessments or the enforcement of such lien, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances payable by the Unit Owner shall be secured by such lien. The Board of Directors may take such action it deems necessary to collect assessments by personal action or by enforcing and foreclosing said lien and may settle and compromise the same if deemed in the Association's best interest. Said lien shall be effective as and in the manner provided for in The Condominium Act and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien and to apply as a cash credit against its bid all sums due as provided herein and encompassed by the lien enforced.

XII. INSURANCE PROVISIONS

I. Insurance.

A. Purchase of Insurance: The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance insuring all of the insurable improvements and facilities on the Condominium Property, together with such other insurance as the Association deems necessary in and for the interest of the Association, all Unit Owners and their mortgagees, as their interests may appear, in an

amount which shall be equal to the maximum insurable replacement value as determined annually. The premiums for such coverage shall be assessed against Unit Owners as part of the Common Expenses. The named insured shall be the Association, as agent for the owners, without naming them, and as agent for their mortgagees.

Provisions shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Unit Owners. Such policies shall provide that payments by the insurer for losses thereunder shall be made to the Insurance Trustee hereinafter designated, and all policies and endorsements thereon shall be deposited with the Insurance Trustee. Unit Owners may obtain insurance coverage at their own expense upon their own personal property and for their personal liability and other expenses.

B. Coverage:

1. Casualty. All buildings and improvements upon the Condominium Property shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, all as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

- A. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement.
- B. Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the Condominium Property,

including but not limited to vandalism and malicious mischief.

- C. Public liability in such amounts and with such coverage as shall be required by the Board of Directors, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability and endorsement to cover liabilities of the owners as a group to any Unit Owner.

2. Other. The Board of Directors may purchase, in amounts and under such terms as the Board of Directors determines, such other insurance as the Board of Directors deems reasonable or necessary, including but not limited to flood insurance and worker's compensation.

- 3. Workmen's Compensation policy to meet the requirements of law.

C. Premiums: Premiums for insurance policies purchased by the Association shall be paid as a Common Expense.

D. Insurance Trustee; Shares of Proceeds: All insurance policies purchased by the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to an Insurance Trustee which shall be designated by the Board of Directors and which shall be any bank or trust company in Florida with trust powers. The Insurance Trustee shall not be liable for payment of premiums or for the renewal or the sufficiency of policies, or for the failure to collect any insurance proceeds.

The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Unit Owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

1. Common Elements. Proceeds on account of damage to Common Elements - an undivided share for each Unit Owner; such share being the same as the undivided share in the Common Elements appurtenant to the Unit.

2. Condominium Units. Proceeds on account of damage to the Units shall be held in undivided shares for the owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Association.

3. Mortgagees. In the event a mortgage endorsement has been issued to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution thereof made to the Unit Owner and mortgagees pursuant to the provisions of this Declaration.

E. Distribution of Proceeds: Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

1. Expense of the Trust. All expenses of the Insurance Trustee shall be first paid or provisions made therefor.

2. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittance to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

3. Certificate. In making distribution to Unit Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association executed by the President and Secretary as to the names of the Unit Owners and their respective shares of the distribution.

F. Association as Agent: The Association is hereby irrevocably appointed agent for each Unit Owner and for each mortgagee or other holder of a lien upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon payment of the claims.

G. Notice of Insurance Coverage: In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and Unit Owners, the Association will give notice of the exposure within a reasonable time to all persons who may be exposed to liability and they shall have the right to intervene and defend.

H. Inspection of Insurance Policy: A copy of each insurance policy obtained by the Association shall be made available for inspection by any Unit Owner at reasonable times.

II. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

A. Determination to Reconstruct or Repair: If any part of the Condominium Property shall be damaged by casualty, it shall be reconstructed or repaired in the following manner unless the underlying land is damaged so extensively as to prohibit reconstruction or repair or the then existing government regulations prohibit reconstruction and/or repair of the buildings in substantially the same form, structure and location as before the casualty:

1. Common Elements. If the damaged improvement is a Common Element, the damaged property shall be reconstructed or repaired.

2. Condominium Units. If the damaged improvement is a building containing Condominium Units, the damaged property shall be reconstructed or repaired,

unless within 60 days after the casualty it is affirmatively determined by agreement of a majority of Unit Owners that the Condominium shall be terminated.

B. Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors and, if the damaged property is a building containing Condominium Units, by not less than 75% of the total voting interests of Unit Owners, which approval shall not be unreasonably withheld.

C. Responsibility: If the damage is only to those parts of one Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

D. Estimates of Costs: Immediately after a determination is made that the damage to the property to be rebuilt or repaired is the Association's responsibility, the Association shall obtain reliable and detailed estimates of the costs to rebuild or repair.

E. Assessments: The amount by which an award of insurance proceeds to the Insurance Trustee is reduced on account of a deductible clause in an insurance policy shall be assessed against all Unit Owners and apportioned according to their shares in the Common Elements. If the proceeds of such assessments and of the insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time

during reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessment shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage to Common Elements or to Units shall be in proportion to the Unit Owner's share in the Common Elements.

F. Construction Funds: The funds for payment of costs of reconstruction and repair after casualty, whether from proceeds of insurance or from assessments or both, shall be disbursed in payment of such costs in the following manner:

1. Association. If the total assessments as set forth herein are more than \$5,000.00, then the sums paid upon such assessments shall be deposited with the Insurance Trustee. In all other instances, the Association shall hold the sums paid upon such assessments and disburse the same in payment of costs of reconstruction and repair.

2. Insurance Trustee. The proceeds of insurance collected as a result of a casualty and the sums deposited with the Insurance Trustee from assessments by the Association shall constitute a construction fund which shall be disbursed in payment of costs of reconstruction and repair in the following manner:

A. Association - Lesser Damage - If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$5,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, that upon request to the Insurance Trustee by a mortgagee

which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

- B. Association - Major Damage - If the amount of the estimated costs of reconstruction and repair as aforesaid are more than \$5,000.00, then the construction fund shall be disbursed in the manner required by the Board of Directors and upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.
- C. Surplus - It shall be presumed that the first monies disbursed in payment of costs and reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of reconstruction and repair, such balance shall be distributed to the beneficial owners of the fund in the manner as elsewhere stated, provided no distribution shall be made to any mortgagee.
- D. Certificate - Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners upon assessments shall be deposited by the Association with the Insurance Trustee, or to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, or whether a disbursement is to be made from the construction fund, or to determine whether surplus funds to be distributed are less than the assessments paid by owners. Rather, the Insurance Trustee may rely upon a certificate of

the Association signed by the President and Secretary as to any and all of such matters and stating that the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid; provided, that when a mortgagee is hereby required to be named as payee, the Insurance Trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association or a mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

XIII. USE AND OCCUPANCY

A. Commercial Use Restriction: All Unit Owners shall occupy and use a Unit only as authorized by local zoning and governmental regulations. No Unit may be used as a residence.

B. Prohibited Acts: The Unit Owner shall not permit or suffer anything to be done or kept in a Unit which will increase the rate of insurance for the Condominium Property or which will obstruct or interfere with the rights of other owners or annoy them by unreasonable activity or otherwise. Unit Owners shall not commit or permit any nuisance, immoral or illegal acts in or about the Condominium Property.

C. Restrictions on Alterations: No Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of a Unit, the Limited Common Elements or the Common Elements or shall cause any type of ground coverage to be installed or shall grow any type of plant, shrubbery, flower, vine or grass outside a Unit or shall cause awnings or storm shutters, screens, enclosures and the like to be affixed or attached to any Unit, Limited Common Elements or Common Elements. A Unit Owner shall not place any furniture or equipment outside a Unit except with the prior written consent of the Board of Directors.

D. Common Elements: No person shall use the Common Elements, Limited Common Elements, or any part thereof, a Condominium Unit or the Condominium Property, or any part thereof, in any manner contrary to the Rules and Regulations promulgated by the Board of Directors.

XIV. MAINTENANCE AND ALTERATIONS

A. The Board of Directors may enter into a contract with any firm, person or corporation or may join with any other condominium association or other entity in contracting for the management, maintenance or repair of the Condominium Property.

B. Each Unit Owner agrees as follows:

1. To maintain in good condition and repair his Unit and all interior surfaces within or surrounding his Unit (such as the surfaces of the walls, ceilings and floors) whether or not a part of the Unit or Common Elements, and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit.

2. Not to make or cause to be made any structural addition, alterations, decoration, repair, replacement or change of the Common Elements or to any outside or exterior portion of the building whether within a Unit or part of the Limited Common Elements without the prior written consent of the Board of Directors.

3. To permit the Board of Directors or any agent of the Board of Directors to enter into any Unit for the maintenance, inspection, repair, replacement of the improvements of the Limited Common Elements or the Common Elements or to determine, in the event of an emergency, circumstances threatening any Unit, the Limited Common Elements or the Common Elements or to determine compliance with provisions of this Declaration and the Bylaws.

4. To show no signs, advertisements or notices of any type on the Common Elements, Limited Common Elements or within a Unit, and to erect no exterior antenna or aerials, except as authorized by the Board of Directors.

C. In the event a Unit Owner fails to maintain the Unit and Limited Common Elements, as required herein, or makes any alterations or additions without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the

Association shall have the right to obtain an injunction to require compliance with the provisions hereof. In addition thereto, the Association shall have the right to levy a charge against a Unit Owner for such necessary sums (not to exceed the maximum amount permitted by Florida Statutes) to remove any unauthorized addition or alteration and to restore the property to good condition and repair. Said charge shall have the same force and effect as all other charges authorized herein.

The Association shall have the further right to have its employees or agents or subcontractors appointed by it to enter a Unit at all reasonable times to do such work as is deemed necessary by the Board of Directors to enforce compliance with the provisions hereof.

D. The Association shall determine the exterior color scheme of the building and all exterior and interior color schemes of the Common Elements and shall be responsible for the maintenance thereof. No Unit Owner shall paint an exterior wall, door, window or any exterior surface or replace anything thereon or affixed thereto without the prior written consent of the Board of Directors.

E. The Association shall be responsible for the maintenance, repair and replacement of the Common Elements, and all property not required to be maintained, repaired or replaced by a Unit Owner. Notwithstanding a Unit Owner's duty of maintenance, repair, replacement and the other responsibilities as to his Unit, the Association may enter into an agreement with such firms or companies as it may determine

to provide services and/or maintenance for and on behalf of the Unit Owners for such services and maintenance as the Association deems advisable and for such period of time and on such basis as it determines. These agreements shall be on behalf of all Unit Owners and the assessment due from each Unit Owner for Common Expenses shall be increased by such sums as under the circumstances they bear in relation to the charges for said maintenance and services. The aforesaid cost shall be deemed to be a Common Expense.

F. Each Unit Owner shall keep his Unit and all furnishings in good condition and repair.

XV. LIMITED COMMON ELEMENTS

Those areas reserved for the use of a certain Unit Owner to the exclusion of other owners are designated as Limited Common Elements and are shown and located on the exhibits attached hereto as Exhibit "B". Any expense for maintenance, repair or replacement relating to Limited Common Elements shall be treated as and paid for as part of the Common Expenses of the Association unless otherwise specifically provided in this Declaration and exhibits attached hereto.

**XVI.
TERMINATION**

A. If the required number of Unit Owners and holders of all liens and mortgages affecting any of the Condominium Units execute and duly record an instrument terminating the Condominium or if a casualty loss had occurred as defined in the insurance clauses hereinabove and the Unit Owners have complied with all provisions of Article XI, said property shall be deemed to be subject to termination and thereafter owned as tenants in common by all owners. The undivided interest in the property owned in common by each Unit Owner shall be the same as the percentage of the undivided interest owned by such Owner in the Common Elements upon termination of the condominium.

B. The Board of Directors shall have the authority to call a meeting of all Unit Owners for the purpose of consideration of termination of the Condominium. A quorum at such meeting shall be a majority of the total outstanding votes of all Unit Owners. The Condominium shall be terminated upon an affirmative vote of at least seventy-five (75%) percent of the total voting interests and one hundred (100%) percent of all then duly recorded mortgage holders. Upon the necessary approvals, a Certificate of Termination, executed by the President and Secretary of the Association, shall be recorded in the Public Records of Flagler County, Florida, and the Condominium shall thereupon be terminated.

**XVII.
MISCELLANEOUS**

A. A Unit Owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding a Condominium Unit. A Unit Owner shall not be deemed to own pipes, wires, conduits or other utility lines running through any Condominium Unit which lines are utilized for or serve more than one Condominium Unit and which items are hereby made a part of the Common Elements. A Unit Owner, however, shall be deemed to own the walls and partitions which are contained inside his Condominium Unit and shall also be deemed to own the inner-decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.

B. Unit Owners agree that if any portion of a Condominium Unit, Common Element or Limited Common Element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event the Condominium Property is partially or totally destroyed and then rebuilt, Unit Owners agree that encroachments onto any portion of the Common Elements or Limited Common Elements or Condominium Units, as a result of construction, shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

C. No Unit Owner may exempt himself from liability for his percentage share of the Common Expenses by waiver of the use and enjoyment of any of the Common Elements or by abandonment of his ownership interest.

D. If required, each Unit Owner shall return the same for the purposes of *ad valorem* taxes with the Property Appraiser of Flagler County, or with such other legally authorized government officer or authority having jurisdiction. Nothing herein shall be construed, however, as giving to any Unit Owner the right of contribution or any right of adjustment against any other Unit Owner on account of any deviation by any taxing authority from the valuation herein prescribed. Each Unit Owner shall pay *ad valorem* taxes and special assessments as may be assessed from time to time.

E. All provisions of this Declaration and exhibits attached hereto, shall be construed as covenants running with the land, and of every part thereof and interest therein, including but not limited to every Unit and the appurtenances thereto, and every Unit Owner or other occupant of the property, or any part therefor, or of any interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of this Declaration and the exhibits.

F. If any of the provisions of this Declaration, the Bylaws, the Articles of Incorporation or The Condominium Act, in any circumstance, is or are held invalid, the validity of the remainder of the Declaration, Bylaws, Articles of Incorporation or The Condominium Act shall not be affected thereby.

G. Whenever notices are required to be sent hereunder, they may be sent to owners either personally or by mail, addressed to the location on file with the Association. Proof of such mailing or personal delivery by the Association shall be presented by affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary of the Association or to any member of the Board of Directors. The change of the mailing address of any party as specified herein shall not require an amendment to this Declaration.

Notices to the Developer shall be delivered by mail to 3 Aviator Way, Ormond Beach, Florida 32174.

All notices shall be deemed considered sent when mailed. Any party may change his mailing address by written notice with receipt therefor. Notices required to be given to the personal representatives of a deceased owner or devisee may be delivered either personally or by mail to such party at his address appearing in the records of the Court wherein the estate of such deceased owner is being administered.

H. Each Unit Owner and the Association shall be governed by and shall comply with this Declaration, the Bylaws, the Articles of Incorporation and The Condominium Act. Failure to so comply shall entitle the Association or any Unit Owner to recover sums due for damages or to injunctive relief or both. Such actions may be maintained by or against a Unit Owner or the Association in a proper case by or against one or more Unit

Owners and the prevailing party shall be entitled to recover reasonable attorneys' fees. Such relief shall not be exclusive of other remedies provided by law.

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

J. The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration.

K. Where an Institutional First Mortgagee, by some circumstance, fails to be a first mortgagee, but it is evident that it is intended to be a first mortgagee, it shall for the purpose of this Declaration be deemed to be an Institutional First Mortgagee.

L. Subject to the provisions of The Condominium Act and Florida Statutes Chapter 718, the Developer specifically disclaims any intent to have made any warranty or representation in connection with the property or the condominium documents, except as specifically set forth herein and no person shall rely upon any warranty or representation not so specifically made herein unless otherwise stated. Maintenance fees, Common Expenses, taxes or other charges are estimates only and no warranty, guaranty or representation is made or intended and one may not be relied upon, other than as expressly set forth herein or as exhibited hereto.

M. The Association, by execution of this Declaration, approves the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration and exhibits attached hereto. All Unit Owners, by virtue of their acceptance of a deed of conveyance to their respective Unit, and other parties by virtue of their occupancy of Units, hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration.

N. The real property submitted to condominium ownership herewith is subject to conditions, limitations, restrictions, reservations, all matters of record and the rights of the United States of America, the State of Florida or any government authority or agency as to applicable zoning ordinances now existing or which may hereafter exist, easements for utility service and drainage now existing or hereafter granted by Developer, and the Developer shall have the right to grant such easements and designate the beneficiaries thereof for such time as it determines in its sole discretion, and thereafter, the Association shall be so empowered to grant such easements on behalf of its members. During the period of time the Developer has the right to grant the foregoing easements, the consent and approval of the Association and its members shall not be required. The right to grant the foregoing easements shall be subject to easements not structurally weakening the buildings and improvements upon the Condominium Property or unreasonably interfering with the enjoyment of the Common Elements.

O. In order to insure adequate and uniform water service and sewage disposal service, the Developer shall and hereby reserves the exclusive right to contract for the utility servicing of the Condominium. Pursuant to the foregoing, the Developer has, will or may contract with a utility company which may include a municipal or government agency or authority for the furnishing of said services and all Unit Owners agree to pay the charges therefor pursuant to and to comply with all of the terms and conditions of the utility agreement, if any.

P. Notwithstanding the fact that the present provisions of The Condominium Act are incorporated by reference herein, the provisions of this Declaration shall be paramount to The Condominium Act as to those provisions where permissive variances are permitted; otherwise, the provisions of said Condominium Act shall prevail and shall be deemed incorporated herein.

Q. Subject to the provisions of Article VII, leasing or renting of a Condominium Unit is not prohibited.

R. Unit Owners and anyone acting by, through or under them shall have as an appurtenance thereto a perpetual easement for ingress and egress to and from their Units over any stairs, walkways, sidewalks, parking lot and other Common Elements.

S. All Unit Owners shall have an easement for ingress and egress over such streets, walks and other rights-of-way serving the Units within the Condominium as part

of the Common Elements as may be necessary to provide reasonable access to said public ways, and such easement shall extend to the invitees and licensees of Unit Owners.

T. Each Unit Owner agrees that PALM POINTE CONDOMINIUM ASSOCIATION, INC., shall be his agent for services of process and notice in all proceedings instituted by the County of Flagler including, but not limited to, rezoning and condemnation.

XVIII. VIOLATIONS OF RULES AND REGULATIONS

Pursuant to Florida Statutes, in the event any Unit Owner, his family, guests, invitees, lessees or licensees violates any provision of this Declaration, the Bylaws or the Rules and Regulations as may be adopted from time to time, a reasonable fine may be levied against the Unit Owner, provided said fine shall not become a lien unless so permitted by Florida Statutes. No such fine may exceed the monetary limitations established by Florida law and may only be levied after the Unit Owner has received reasonable notice and an opportunity for a hearing.

IN WITNESS WHEREOF, BETNR INDUSTRIAL DEVELOPMENT CORPORATION, a Massachusetts corporation, has caused these presents to be signed in its name by its proper officers and its corporate seal affixed this 28th day of APRIL, 1999.

Signed, sealed and delivered

BETNR INDUSTRIAL DEVELOPMENT CORPORATION
a Massachusetts corporation

in the presence of:

R. Michael Kennedy
R. Michael Kennedy
Juanita Hutchison
JUANITA HUTCHISON

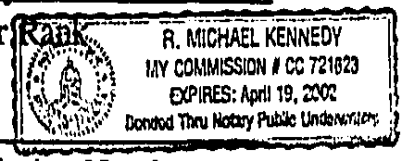
By James A. Newslow, III
James A. Newslow, III, President

STATE OF FLORIDA
COUNTY OF Volusia

The foregoing instrument was acknowledged before me this 28th day of APRIL, 1999, by James A. Newslow, III, President of BETNR Industrial Development Corporation, a Massachusetts corporation, who is personally known to me or has produced _____ as identification.

Notary Public

Title or Rank



Commission Number

R. Michael Kennedy
Notary Signature

R. Michael Kennedy
Notary Name Printed

My Commission expires:

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, PALM POINTE CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by provisions of the Declaration of Condominium and the Exhibits attached thereto.

IN WITNESS WHEREOF, the above-described corporation, a Florida not-for-profit corporation, has caused these presents to be signed in its name by its President and its corporate seal affixed, this 28th day of APRIL, 1999.

Signed, sealed and delivered
in the presence of:

PALM POINTE CONDOMINIUM
ASSOCIATION, INC., a Florida not-
for-profit corporation

R. Michael Kennedy
R. Michael Kennedy

By James A. Newslow, III
James A. Newslow, III, President

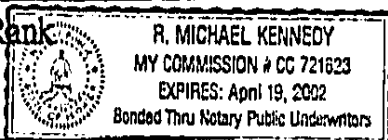
Juanita Hutchison
JUANITA HUTCHISON

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 28th day of APRIL, 1999, by James A. Newslow, III, President of Palm Pointe Condominium Association, Inc., a Florida not-for-profit corporation. He is personally known to me.

Notary Public

Title or Rank



Commission Number

R. Michael Kennedy
Notary Signature

R. Michael Kennedy
Notary Name Printed

My Commission expires:

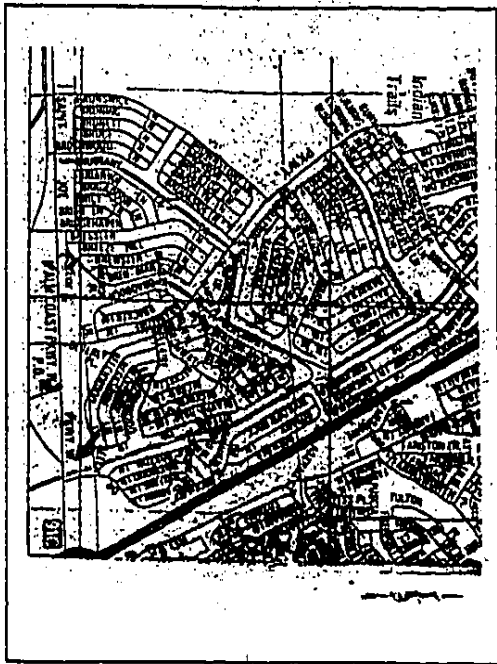
The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; February 19, 1996.

Lot 11 and a portion of Lot 10, Northwest Quadrant Project II (Northpoint).

DESCRIPTION:

A parcel of land being Lots 10 and 11, less and except the Easterly 150.00 feet of Lot 10, according to the Plat Northwest Quadrant Project II, recorded in Map Book 30, Page 17, of the Public Records of Flagler County, Florida, being more particularly described as follows:

BEGINNING at the southwest corner of said Lot 11, thence North $00^{\circ}51'33''$ West a distance of 284.21 feet to the northwest corner of Lot 11 being a point on a curve, thence 19.90 feet along the arc of a curve to the left (concave northwesterly) having a central angle of $06^{\circ}30'51''$, a radius of 175.00 feet, a chord bearing of North $70^{\circ}53'31''$ East and a chord distance of 19.89 feet, thence North $67^{\circ}38'06''$ East along the northerly line of Lot 11 and part of Lot 10 a distance of 203.09 feet, thence South $00^{\circ}51'33''$ East along a line lying 150.00 feet West of and parallel to the East line of Lot 10 a distance of 364.89 feet, thence South $89^{\circ}00'27''$ West along the North right-of-way line of Palm Coast Parkway being common as the South line of Lots 10 and 11 a distance of 207.84 feet to the POINT OF BEGINNING.



LOCATION MAP

PALM POINTE

PALM COAST, FLORIDA

DEVELOPER

BEINR CONSTRUCTION COMPANY, INC.
3 AVIATOR WAY
ORMOND BEACH, FL 32174
(904) 677-6462

THE ALANN ENGINEERS GROUP, INC.
CIVIL AND ENGINEERS
ORMOND BEACH, FL 32174 (904) 675-7653

SHERWOOD SURVEYING, INC.
204 W. PALMROAD ST.
LAKELAND, FL 33810 (904) 432-2363

RICHARD IRWIN
LANDSCAPE ARCHITECT
115 CANNERY CLUB DR
ORMOND BEACH, FL 32174 (904) 672-5457

SHEET INDEX

SHEET #	TITLE
1	SITE PLAN
2	CONCRETE PLAN
3	CEILING
4	LANDSCAPE PLAN
5	INITIALS

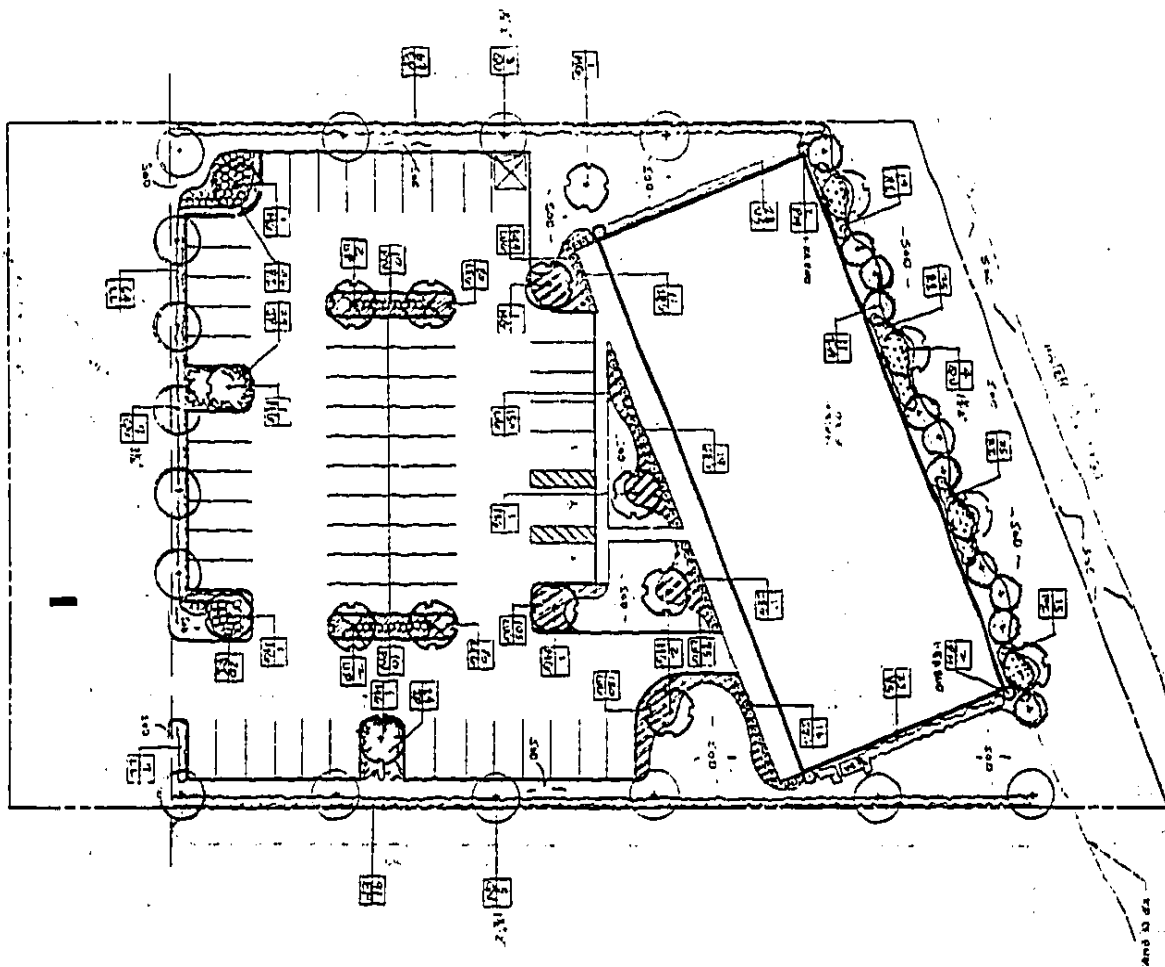
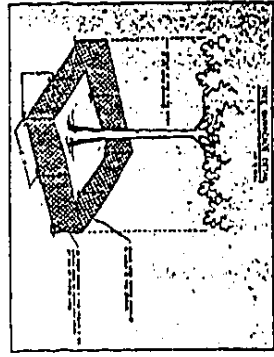
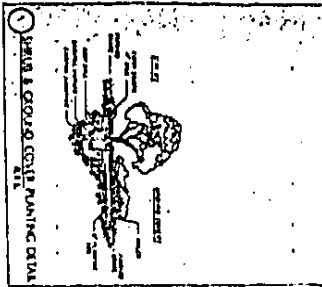
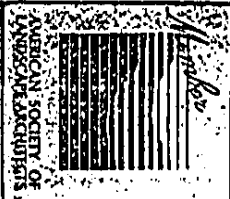
SEP 25 1999

DATE	6/30/99
BY	ALANN ENGINEERS GROUP, INC.
CHECKED	
APPROVED	

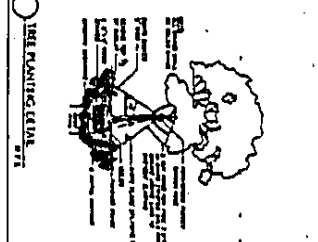
NO.	DATE	REVISION

PALM POINTE
PALM COAST, FL

ALANN ENGINEERING GROUP, INC.
CONSULTING ENGINEERS
115 CANNERY CLUB DR., ORMOND BEACH, FLORIDA 32174
TEL: (904) 675-7653 FAX: (904) 675-7654



1. The client has provided the site plan and all necessary information for the preparation of this plan. The client is responsible for obtaining all necessary permits and approvals from the appropriate authorities. The client is also responsible for providing access to the site for the installation of the irrigation system. The client is also responsible for providing the necessary funds for the installation and maintenance of the irrigation system. The client is also responsible for providing the necessary information for the preparation of this plan. The client is also responsible for providing access to the site for the installation of the irrigation system. The client is also responsible for providing the necessary funds for the installation and maintenance of the irrigation system. The client is also responsible for providing the necessary information for the preparation of this plan.



THESE PLANS ARE THE PROPERTY OF RICHARD B. TRUITT, LANDSCAPE ARCHITECT. ALL RIGHTS RESERVED. NO PART OF THESE PLANS MAY BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF RICHARD B. TRUITT, LANDSCAPE ARCHITECT. THE CLIENT IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AUTHORITIES. THE CLIENT IS ALSO RESPONSIBLE FOR PROVIDING ACCESS TO THE SITE FOR THE INSTALLATION OF THE IRRIGATION SYSTEM. THE CLIENT IS ALSO RESPONSIBLE FOR PROVIDING THE NECESSARY FUNDS FOR THE INSTALLATION AND MAINTENANCE OF THE IRRIGATION SYSTEM. THE CLIENT IS ALSO RESPONSIBLE FOR PROVIDING THE NECESSARY INFORMATION FOR THE PREPARATION OF THIS PLAN.

RICHARD B. TRUITT LA, ASCA, ASLA, CPO
 LANDSCAPE ARCHITECT FL. REG. LA0000298
 904/672-8487
 PLANS-CONSULTING-SPECIFICATIONS-

NOV 11 1999
 R. B. TRUITT

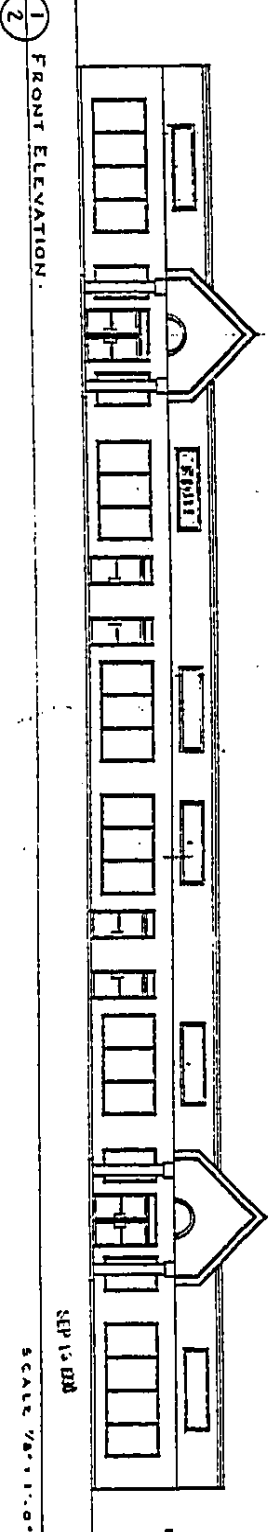
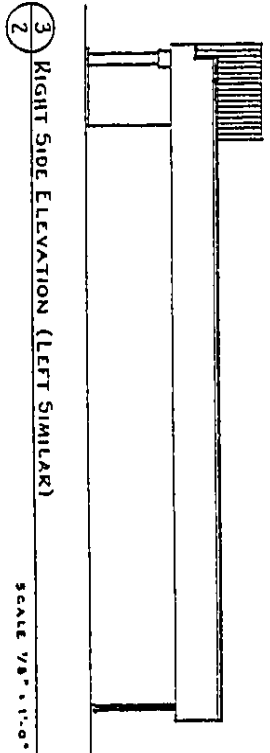
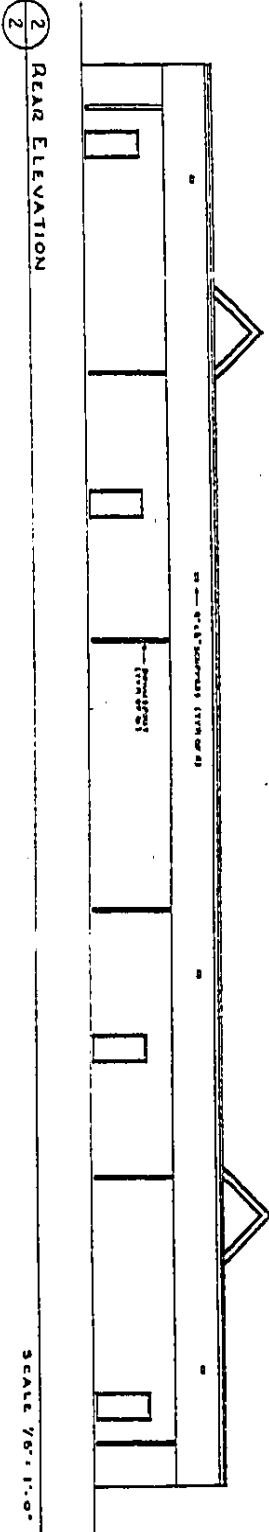
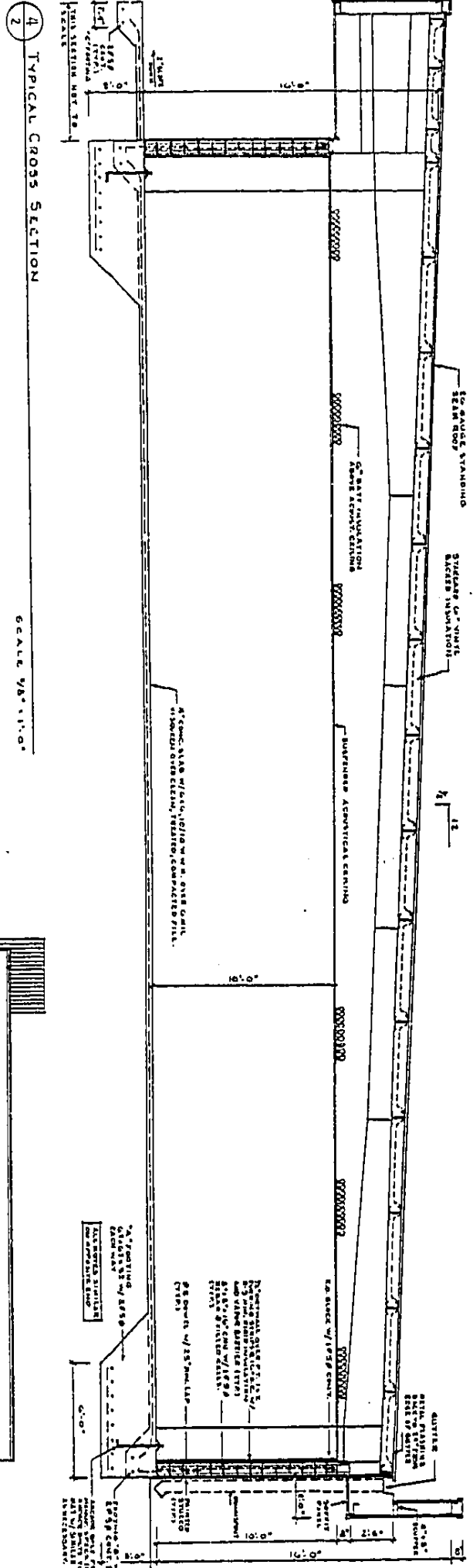
REVISION	DATE	BY

NO.	DATE	DESCRIPTION	BY

PALM-POINTE
 PALM COAST, FLORIDA
 LANDSCAPE/IRRIGATION PLAN

A ENGINEERING
 1000 S. PALM BEACH BLVD.
 SUITE 100
 PALM BEACH, FLORIDA 33480
 (561) 832-1111

SEP 25 1999



PROJECT TITLE PALM POINT 1080 PALM COAST PARKWAY PALM COAST, FL	CLIENT NAME BETNR INDUSTRIAL DEVELOPMENT CORP.	LEETE & LEETE - AIA ARCHITECTS & PLANNERS 100 SOUTH GRANDVIEW AVENUE, DAYTONA BEACH, FLORIDA, 32115 - PHONE 904/252-1750	DATE: 6-21-99	COMM. NUMBER L-9560
			REVISED DRAWN: D-3, A-1 CHECKED: DEL.	

PROJECT LOCATION: 1080 PALM COAST PARKWAY, PALM COAST, FL
 DATE: SEP 15 1998
 SCALE: 1/8" = 1'-0"
 SHEET NO. 2 OF 2

PERCENTAGE INTERESTS IN
COMMON ELEMENTS, COMMON EXPENSES
AND COMMON SURPLUS

Unit 1	1/4th (25%)
Unit 2	1/4th (25%)
Unit 3	1/4th (25%)
Unit 4	1/4th (25%)

**BYLAWS
OF
PALM POINTE CONDOMINIUM ASSOCIATION, INC.
(a Florida not-for-profit corporation)**

**ARTICLE I.
IDENTITY**

The following Bylaws shall govern the operation of the condominium created by the Declaration of Condominium to which these Bylaws are attached.

PALM POINTE CONDOMINIUM ASSOCIATION, INC. is a Florida not-for-profit corporation, organized and existing under the laws of the State of Florida for the purpose of administering the Condominium created by the Declaration of Condominium to which these Bylaws are attached.

Section 1. The office of the Association shall be 1030 Palm Coast Parkway, Palm Coast, Florida, or at such other place as may be designated by the Board of Directors.

Section 2. The seal of the corporation shall bear the name of the corporation, the word "Florida", the words "Corporation not-for-profit" and the year of incorporation.

Section 3. As used in these Bylaws, the word "corporation" shall be the equivalent of "association" and as defined in the Declaration of Condominium to which these Bylaws are attached. All other words and terms used herein shall have the same definitions as attributed to them in the Declaration of Condominium to which these Bylaws are attached.

ARTICLE II.
MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership in the Association shall be limited to Owners of the Condominium Units in the Condominium where this corporation has been designated the association to operate and administer said Condominium by virtue of the Declaration of Condominium. Transfer of Unit ownership, either voluntarily or by operation of law, shall automatically terminate membership in the Association and the membership shall immediately become vested in the transferee. If Unit ownership is vested in more than one person, then any of the persons so owning said Unit shall be members eligible to hold office and attend meetings; but, as hereinafter indicated, the vote of a Unit shall be cast by the "voting member". If Unit ownership is vested in a corporation, said corporation must designate an individual officer or employee of the corporation as its "voting member".

Section 2. Voting: The Owner of each Condominium Unit shall be entitled to one vote. If a Condominium Unit Owner owns more than one Unit, he shall be entitled to one (1) vote for each Unit owned. The vote of a Condominium Unit shall not be divisible.

A majority of the Unit Owners' total votes shall decide any question, unless otherwise provided by the Declaration of Condominium, these Bylaws or the Articles of Incorporation.

Section 3. Quorum: Unless otherwise provided, one-third (1/3) of the Unit Owners' total votes, in person or in proxy, shall constitute a quorum for the purpose of conducting a meeting. Any vote conducted at such meeting shall be by majority entitled to vote thereat, unless otherwise required by the Declaration, these Bylaws or Florida Statutes.

Section 4. Proxies: Votes may be cast in person or by proxy. All proxies shall be in writing and shall comply with any requirements of Florida Statutes Chapter 718 or its successor. Proxies shall only be effective for the specific meeting for which originally given and any lawfully adjourned meetings. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy is revocable at any time at the pleasure of the Unit Owner executing it.

Section 5. Designation of Voting Member: The recorded title to the Condominium Unit shall establish the right to vote. If a Condominium Unit is owned by more than one (1) person, all of the recorded owners of the Unit shall designate the person entitled to vote for the Unit in a certificate which shall be filed with the Secretary of the Association. If a Condominium Unit is owned by a corporation, the person entitled to cast the vote of the Unit shall be designated in a certificate, duly signed by the President, and filed with the Secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a Unit shall be known as the "voting member". If such

certificate is not on file with the Secretary of the Association, the vote of the Unit shall not be considered in determining the requirements for a quorum or for any purpose requiring the approval of a person entitled to cast a vote for the Unit. A certificate shall not be required if a Condominium Unit is owned by a husband and wife. Any certificates filed with the Secretary of the Association shall be valid until revoked or until a change in the ownership of the Unit is effected.

ARTICLE III.
MEETING OF MEMBERSHIP

Section 1. Place: Meetings of the Association shall be held at the Condominium or at such other place and time as shall be designated by the Board of Directors and set forth in the notice of the meeting. All meetings shall be opened to all Unit Owners.

Section 2. Notices: The Secretary shall mail by United States mail or deliver a notice of each annual or special meeting of the Association, setting forth the time and place thereof, to each Unit Owner not less than thirty (30) days prior to such meeting. The notice of any special meeting of the Association shall set forth the purpose thereof. Notices mailed or delivered to or at the record address of the Unit Owner shall be deemed sufficient. Notice may be sent to Unit Owners and the post office certificate of mailing shall be retained as proof of such mailing. An officer of the Association shall provide an

affidavit, as part of the Association's official records, affirming that a notice of the Association meeting was mailed or delivered in accordance with these provisions.

Written notice shall also be posted in a conspicuous place on the condominium property at least fourteen (14) days prior to the annual meeting.

Section 3. Annual Meeting: The annual meeting shall be held at such time as determined by the Board of Directors. At each annual meeting, the Association shall transact such business as may properly be brought before the meeting.

Section 4. Special Meetings: Special meetings of the membership may be called by the President or by a majority of the Board of Directors in writing or by twenty-five (25%) percent of the Unit Owners entitled to vote, in writing, which notice shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subject(s) set forth in the notice thereof.

Section 5. Waiver and Consent: Whenever the vote of membership is required or permitted to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than a majority of the members entitled to vote upon the action shall consent in writing to such action being taken; however, notice of such action shall be given to all members, unless all members approve such action.

Section 6. Rescheduled Meeting: In the event any meeting of membership cannot be called because a quorum is not present, either in person or by proxy, the meeting may be rescheduled from time to time until a quorum is present.

Section 7. Minutes: The minutes of all meetings of Unit Owners and the Board of Directors shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, and Directors at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

**ARTICLE IV.
DIRECTORS**

Section 1. Number, Term and Qualifications: The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons. All Directors, except those designated by the Developer, shall be members of the Association. The term of each Director's service shall extend until the next annual meeting of the Association and thereafter until his successor is duly elected and qualified, or removed as set forth hereinafter.

Section 2. First Board of Directors: The first Board of Directors of the Association who shall hold office and serve until their successors have been elected and qualified, shall consist of the following:

<u>Name</u>	<u>Address</u>
James W. Newslow, III	3 Aviator Way Ormond Beach, Florida 32174
David A. Stark	570 South Younge Ormond Beach, Florida 32174

Heather W. Newslow

3 Aviator Way
Ormond Beach, Florida 32174

The organizational meeting of a newly elected Board of Directors of the Association shall be held within ten (10) days after their election, at such place and time as shall be fixed by the Directors. No further notice of the organizational meeting shall be necessary, provided a quorum shall be present.

Section 3. Removal of Directors: One or more Directors may be removed, with or without cause, by the vote or agreement in writing of a majority of all Unit Owners. A successor may thereupon be elected to fill the vacancy thus created. A special meeting of the Unit Owners to recall a Director or Directors may be called by 10% of the Unit Owners, giving notice of the meeting as required, and the notice shall state the purpose of the meeting. In the event the members of the Association fail to elect a successor, the Board of Directors may fill the vacancy in the manner provided hereinafter.

If the recall is approved at a meeting by a majority of all voting interests, the recall will be effective immediately, and the recalled member shall turn over any and all records in his or her possession within 72 hours of the meeting.

If the proposed recall is by written agreement of a majority of all voting interests, the agreement shall be served on the Association by certified mail. The Board of Directors shall call a meeting within 72 hours after receipt of the agreement and shall either certify the written agreement, in which event the recalled Director(s) shall be recalled immediately

and shall turn over all records as set forth above, or not certify the written agreement. In the event the Board of Directors does not certify the written agreement, or if the recall by a vote at a meeting is disputed, the Board of Directors shall within 72 hours file with the Division of Land Sales, Condominiums and Mobile Homes a petition for binding arbitration pursuant to Florida Statutes and all parties shall be bound thereby.

Section 4. Vacancies: If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, even though less than a quorum, may choose a successor, who shall hold office for the balance of the unexpired term.

Section 5. Disqualification and Resignation of Directors: Any Director may resign by sending a written notice of such resignation to the Secretary of the Association. Such resignation shall take effect upon receipt by the Secretary. The transfer of title of a Unit by a Director shall automatically constitute a resignation.

Section 6. Regular Meetings: The Board of Directors may establish a schedule of regular meetings to be held at such time and place as they may designate. Notice of the meetings shall be given to each Director personally or by regular United States mail at least five (5) days prior to the date of the meeting. All meetings of the Board of Directors shall be open to all Unit Owners. Written notice thereof shall be posted in a conspicuous place on the Condominium Property at least 48 hours in advance, except in an emergency. Notice of any meeting in which assessments against Unit Owners are to be considered for

any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

Section 7. Special Meetings: Special meetings of the Board of Directors may be called by the President or by a majority of the members of the Board of Directors, provided notice as set forth above is given to all Directors. All notices of special meetings shall state the purpose of the meetings.

Section 8. All Meetings: All meetings shall be open to all Unit Owners. Adequate notice of all meetings shall be posted conspicuously on the Condominium Property at least 48 hours in advance, except in emergencies. Notice of any meeting in which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

Section 9. Waiver of Notice: Any Director may waive notice of any regular or special meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance at any meeting of the Board shall be a waiver of the notice by the Director of the time and place thereof.

Section 10. Quorum: A majority of the Directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors present at such meetings, at which a quorum is present, shall be the acts of the Board of Directors. If a quorum is not present, a majority of those present may reschedule the meeting from time

to time and any business which may have been transacted at the original meeting may be transacted without further notice at the rescheduled meeting.

Section 11. Compensation: The Directors shall serve without fee or compensation, but may be entitled to reimbursement of reasonable expenses, if approved by a majority of the Board of Directors.

Section 12. Developer's Selection of Directors: Subject to Chapter 718 of The Condominium Act, the Developer shall have the right to designate the Directors who need not be owners of Units in the Condominium and said Directors may not be removed by members of the Association, as elsewhere provided herein. Where a vacancy occurs for any reason, the vacancy shall be filled by the person designated by the Developer.

Section 13. Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration of Condominium, this Association's Articles of Incorporation or these Bylaws directed to be exercised and done by Unit Owners. These powers shall specifically include, but shall not be limited to, the following:

A. To exercise all powers specifically set forth in the Declaration of Condominium, this Association's Articles of Incorporation, these Bylaws, and The Condominium Act, and all powers incidental thereto.

B. To appoint officers and grant them the duties it deems appropriate.

C. To make assessments, collect said assessments and use and expend the assessments to carry out the purposes and powers of the Association.

D. To employ, dismiss and control the personnel necessary for the maintenance and operation of the Condominium and of the Common Elements and facilities including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.

E. To make and amend regulations respecting the operation and use of the Common Elements and Units.

F. To contract for the management of the Condominium and to delegate to such manager all of the powers and duties of the Association, except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Association; contract for the management or operation of portions of the Common Elements susceptible to the separate management or operation thereof, and to lease or concession such portions.

G. To further improve the Condominium Property, both real and personal, and the right to purchase real property and items of furniture, furnishings, fixtures and equipment for the condominium and the right to acquire and enter into agreements pursuant to Florida Statutes Chapter 718, subject to the provisions of the applicable Declaration of Condominium, this Association's Articles of Incorporation and these Bylaws.

H. To designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least two (2) members of the Association. The committees shall have such name or names as may be determined from time to time by the Board of Directors and the committees shall keep regular minutes of their proceedings and report the same to the Board of Directors. The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by Unit Owners when such is specifically required.

I. To establish rules and regulations for the Condominium, for which violation the Board of Directors may impose and assess fines pursuant to Florida Statutes Chapters 617 or 718, or their successors, provided such fines do not exceed the monetary limit established by Florida law per violation of the rules and regulations lawfully adopted by the Board of Directors, and provided reasonable notice and an opportunity for a hearing have been provided and provided there is compliance with Article VIII, Section 1 as hereafter set forth.

ARTICLE V.
OFFICERS

Section 1. Positions: The principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One person may hold more than one of the aforementioned offices.

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

Section 3. Appointments: The Board may appoint such other officers as it deems necessary.

Section 4. Term: The officers of the Association shall hold office until their successors are chosen. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by a majority of the entire Board of Directors. Any vacancy may be filled by appointment by the Board of Directors.

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

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

Section 7. Secretary: The Secretary shall issue notices of all Board of Directors meetings and meetings of the Association. He shall attend and keep minutes of all meetings and he shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer.

Section 8. Treasurer: The Treasurer shall have custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each Unit in the manner required by Florida Statutes Chapter 718 or its successor.

The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these Bylaws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever required, an account of all transactions and the financial condition of the Association.

The Treasurer shall collect the assessments and maintenance fees and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

The Treasurer shall give status reports to potential transferees on which reports the transferees may rely.

Section 9. Removal of Officers: Any one or more of the officers may be removed, with or without cause, by the vote or agreement in writing of a majority of the Board of Directors. A successor shall then be selected by the Board of Directors to fill the vacancy thus created.

Section 10. Compensation of Officers: The officers shall serve without fee or compensation, but may be entitled to reimbursement of reasonable expenses, if approved by a majority of the Board of Directors.

ARTICLE VI.

FINANCES, ASSESSMENTS, MAINTENANCE FEES AND BUDGET

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

Section 2. Fidelity Bonds: The President, Treasurer, Secretary and all persons who are authorized to sign checks shall be bonded in such amount as may be determined by the Board of Directors, provided such bond shall be in the minimum principal amount of \$10,000.00 for each person. The bond premiums shall be paid by the Association.

Section 3. Fiscal Year: The fiscal year for the Association shall begin on the first day of January of each calendar year.

Section 4. Determination of Assessments:

A. The Board of Directors shall fix and determine from time to time the sums necessary for the Common Expenses of the Condominium. Common Expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto and all other expenses designated as Common Expenses from time to time by the Board of Directors or under the provisions of the Declaration of Condominium. The Board of Directors is specifically empowered to make and collect assessments and to lease, maintain, repair and replace the Common Elements and Limited Common Elements of the Condominium. Funds for the payment of the Common Expenses shall be assessed against Unit Owners in the proportions of percentages of sharing Common Expenses, as provided in the Declaration. Special assessments, as may be required by the Board of Directors, shall be levied in the same manner as hereinabove provided for regular assessments and shall be payable in the manner determined by the Board of Directors. All funds due under these Bylaws or the Declaration of Condominium are Common Expenses of the Condominium.

B. A copy of the proposed annual budget of Common Expenses shall be mailed to all Unit Owners not less than thirty (30) days prior to the meeting at which the

budget will be considered. The Unit Owners shall be given written notice of the time and place at which the meeting of the Board of Directors shall be held to consider the proposed annual budget of Common Expenses and such meeting shall be open to all Unit Owners.

If a budget is adopted by the Board of Directors which requires assessment against the Unit Owners in any fiscal or calendar year exceeding 115% of such assessment for the preceding year, a special meeting of the Unit Owners, upon written application of 10% of the Unit Owners, shall be called by the Board upon no less than ten (10) days written notice to each Unit Owner, but within thirty (30) days of the delivery of such application to the Board of Directors, at which special meeting the Unit Owners may consider and enact a revision of the budget or recall any or all members of the Board of Directors. In either event, the revision of the budget or recall of any or all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of Unit Owners.

The Board of Directors may in any event propose a budget to the Unit Owners at a meeting of members or by writing, and if such budget is approved by the Unit Owners at the meeting or by a majority of all Unit Owners in writing, such budget shall not thereafter be re-examined by the Unit Owners in the manner hereinabove nor shall the Board of Directors be recalled. If a meeting of Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether assessments exceed 115% of similar assessments for the prior year, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors for repair or replacement of the Condominium Property for the anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis. There shall also be excluded from such computation assessment for betterments to the Condominium provided that so long as the Developer is in control of the Board of Directors, the Board shall not impose an assessment for a year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of the Unit Owners. When the Board of Directors has determined the amount of any assessment, the Treasurer shall mail or present to each Unit Owner a statement of his assessments. All assessments shall be payable to the Treasurer and the Treasurer shall give a receipt for each payment made.

Section 5. Acceleration of Assessment Installments Upon Default: If a Unit Owner shall be in default in the payment of any installment upon any assessment, the Board of Directors may accelerate the remaining installments for the fiscal year upon notice thereof to the Unit Owner. Thereupon, the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than fifteen (15) days after delivery of or the mailing of such notice to the Unit Owner.

Section 6. Audit: Subject to the requirements of Florida Statutes, a financial statement of the accounts of the Association shall be made annually and shall be prepared

by such person as the Board of Directors determines. A copy of the financial statement shall be available to members of the Association. Such financial statement shall be available not later than four (4) months after the end of the fiscal year for which the statement is made.

Section 7. Application of Surplus: Any payments or receipts to the Association, whether from Unit Owners or otherwise, paid in excess of the operating expenses and other Common Expenses of the Association shall be retained by the Association and applied against the Association's Common Expenses for the following year.

Section 8. Budget: The proposed annual budget shall be detailed and shall show the amounts budgeted by accounts and expense classification, including, if applicable, but not limited to, those expenses set forth in Florida Statutes Section 718.504(20), or its successor. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance for which the deferred maintenance expense or replacement cost is greater than \$10,000.00. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing, which amounts shall be computed by means of a formula which is based upon estimated life and estimated replacement costs of each reserve item.

**ARTICLE VII.
ADDITIONS AND ALTERATIONS**

There shall be no additions or alterations to the Common Elements or Limited Common Elements of the Condominium except as set forth in the Declaration of Condominium.

**ARTICLE VIII.
COMPLIANCE AND DEFAULT**

Section 1. Violations: In addition to any other authority of the Board of Directors granted herein, in the event of a violation (other than the nonpayment of an assessment) by the Unit Owner of any provision of the Declaration of Condominium, these Bylaws or the applicable portions of The Condominium Act, the Board of Directors may notify the Unit Owner by written notice of the violation. The notice shall be transmitted by mail or hand delivery to the Unit Owner. If such violation shall continue for a period of seven (7) days from the date of the notice, the Association shall have the right to treat such violation as an intentional and material breach and the Association may then, at its election, have the following options:

- A. An action at law to recover for damages, on behalf of the Association or on behalf of the other Unit Owners;

B. An action in equity to enforce performance on the part of the Unit Owner; or

C. An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the Unit Owner as a specific item, which shall be a lien against said Unit with the same force and effect as if the charge were a part of the Common Expenses for that Unit Owner.

Pursuant to Florida Statutes Section 718.303(3), or its successor, a majority of the Board of Directors may, in addition to any other available remedies, levy a reasonable fine, for failure of a Unit Owner, his tenant, occupant, licensee or invitee, to comply with or abide by any provision of the Declaration of Condominium, these Bylaws or reasonable rules promulgated by the Board of Directors. Each day of failure to comply or abide may be deemed a separate violation. No fine shall become a lien against a Unit and may only be imposed after providing reasonable notice and an opportunity for a hearing pursuant to written procedures in accordance with the regulations adopted by the Florida Division of Condominiums which written procedures shall be maintained as part of the Association's permanent records.

Section 2. Negligence of Unit Owner: All Unit Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance, if any, carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein shall be construed so as to modify any waiver by any insurance company of its rights of subrogation. The expense for any maintenance, repair or replacement shall be charged to the Unit Owner as a specific item which shall be a lien against the Unit with the same force and effect as if the charge were a part of the Common Expenses of the Unit Owner.

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

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

Section 5. Election of Remedies: All rights, remedies and privileges granted to the Association or Unit Owner, pursuant to any terms, provisions, covenants or conditions

of the condominium documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted at law or in equity.

ARTICLE IX.
ACQUISITION OF UNITS ON FORECLOSURE

Section 1. Acquisition: At any foreclosure sale of a Unit, the Board of Directors may acquire in the name of the Association the Condominium Parcel being foreclosed. The term "foreclosure", as used in this Section, shall mean and include any foreclosure of any lien, judgment or other encumbrance. The power and authority of the Board of Directors to acquire a Condominium Parcel at any foreclosure sale shall not be interpreted as any requirement or obligation to so purchase at any foreclosure sale, the provisions hereof being permissive in nature.

Section 2. Transfer of Units: All Owners of Units shall notify the Association of any transfer or conveyance of said Unit within ten (10) days of the date of same. Said notice shall include such information and be in the form the Association may prescribe from time to time. The Association may send all notices to the person shown as owner of

said Unit in its records and said notice shall be binding as to any other Owner of said Unit where the Association has not been notified as provided herein.

ARTICLE X.
AMENDMENTS TO BYLAWS

The Bylaws may be altered, amended, rescinded or modified at any duly called meeting of the Unit Owners, provided;

1. Notice of the meeting shall contain a statement of the proposed Amendment.

2. If the Amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members casting thirty (30%) percent of the total votes of the members of the Association.

3. If the Amendment has not been approved by the unanimous vote of the Board of Directors, then the Amendment shall be approved by the affirmative vote of the voting members casting not less than a majority of the total votes of the members of the Association; and,

4. Said Amendment shall be recorded and certified as required by The Condominium Act.

5. Notwithstanding the foregoing, these Bylaws may only be amended with the written approval when required of the parties specified in the Declaration of Condominium to which these Bylaws are attached.

6. No Bylaw may be revised or amended by reference to its title or number only. Proposals to amend these Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Bylaw _____ for present text." Any non-material error or omission in the Bylaw amending process shall not otherwise invalidate an otherwise properly promulgated amendment.

**ARTICLE XI.
NOTICES**

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

**ARTICLE XII.
INDEMNIFICATION**

The Association shall indemnify every Director and every officer, his heirs, executors and administrators, against all loss, cost and expense reasonably incurred by him with respect to any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

**ARTICLE XIII.
LIABILITY SURVIVES TERMINATION OF MEMBERSHIP**

The termination of membership in the Association shall not relieve or release any such former Unit Owner or member from any liability or obligations incurred under or in

any way connected with the Condominium during the period of such ownership and membership.

ARTICLE XIV.
LIMITATIONS OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair the Condominium Property, the Association shall not be liable for injury or damage caused by a latent condition in the property, or for any injury or damage caused by the elements or by other Unit Owners or persons.

ARTICLE XV.
PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of all meetings unless in conflict with The Condominium Act, the Declaration of Condominium or these Bylaws.

ARTICLE XVI.
LIENS

Section 1. Protection of Property: All liens against a Condominium Unit, other than from mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date of attachment of the lien. All taxes and special assessments upon a Condominium Unit shall be paid before becoming delinquent.

Section 2. Notice of Lien and/or Suit: A Unit Owner shall give notice to the Association of every lien upon his Unit, other than for mortgages, taxes and assessments, or of every suit or other proceedings which will or may affect title to his Unit or any part of the Condominium Property, within five (5) days after the attaching of the lien or the date the Unit Owner receives notice of the suit. All taxes and assessments upon a Condominium Unit shall be paid before becoming delinquent.

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

ARTICLE XVII.
RULES AND REGULATIONS

Section 1. The Board of Directors may, from time to time, adopt or amend previously adopted rules and regulations governing the operating, use, maintenance,

management and control of the Common Elements and the Limited Common Elements and any facilities or services available to Unit Owners. A copy of the Rules and Regulations adopted from time to time shall be posted in a conspicuous place and copies shall be furnished to each Unit Owner upon request.

Section 2. The Board of Directors, may from time to time adopt or amend previously adopted Rules and Regulations with respect to the use and maintenance of the Condominium Units. Copies of such Rules and Regulations shall be posted in a conspicuous place and copies shall be furnished to each Unit Owner upon request.

Section 3. In the event of any conflict between the Rules and Regulations adopted or amended and the condominium documents or The Condominium Act, the condominium documents or The Condominium Act shall prevail. The provisions of the Declaration of Condominium shall prevail in any unreconciled conflict arising with respect to interpretation of these Bylaws and the Declaration of Condominium.

ARTICLE XVIII.
TRANSFER FEES

No charge shall be made by the Association in connection with the sale, mortgage, lease, sublease or other transfer of a Unit.

ARTICLE XIX.
ARBITRATION

All disputes arising from operation of the Condominium between and among Unit Owners, the Association, their agents and assigns, shall be resolved by reference to voluntary, binding arbitration, pursuant to Florida Statutes and the Rules and Regulations promulgated by the Florida Division of Land Sales, Condominiums and Mobile Homes.

The foregoing Bylaws were adopted as the Bylaws of PALM POINTE CONDOMINIUM ASSOCIATION, INC., at the first meeting of the Board of Directors.

Approved: _____, 1999.

James A. Newslow, III, Secretary

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DIVISION OF CORPORATION
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**ARTICLES OF INCORPORATION
OF
PALM POINTE CONDOMINIUM ASSOCIATION, INC.**

I, the undersigned, hereby associate for the purpose of forming a corporation not-for-profit under the laws of the State of Florida, pursuant to Florida Statutes Chapter 617, and hereby certify as follows:

ARTICLE I

The name of this corporation shall be PALM POINTE CONDOMINIUM ASSOCIATION, INC., whose principal office and mailing address are located at 1030 Palm Coast Parkway, Palm Coast, Florida 32137. The registered office address and principal office address are the same.

ARTICLE II

The general purpose of this corporation not-for-profit shall be as follows:

To be the "Association" (as defined in The Condominium Act of the State of Florida, Florida Statutes Chapter 718, and the Declaration of Condominium for Palm Pointe Condominium, a condominium, for the operation of the Condominium known as Palm Pointe Condominium, a condominium, at 1030 Palm Coast Parkway, Palm Coast, Florida 32137, to be created pursuant to the provisions of The Condominium Act, and as such Association to operate and administer the Condominium and to carry out the functions and duties of the Condominium as set forth in the Declaration of Condominium establishing the Condominium and the exhibits attached thereto.

Exhibit E to Declaration of Condominium

ARTICLE III

All persons who are Owners of Condominium Units within the Condominium shall automatically be members of this corporation. Such membership shall automatically terminate when such person is no longer an Owner of a Condominium Unit. Membership in the corporation shall be limited to such Condominium Unit Owners.

Subject to the foregoing, admission to and termination of membership shall be governed by the Declaration of Condominium that shall be recorded for the Condominium among the Public Records of Flagler County, Florida.

ARTICLE IV

This corporation shall have perpetual existence.

ARTICLE V

The names and address of the subscriber to these Articles of Incorporation are as follows:

<u>Name</u>	<u>Address</u>
James A. Newslow, III	3 Aviator Way Ormond Beach, Florida 32174

ARTICLE VI

Section 1

The affairs of the corporation shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than the number specified in the

Bylaws. The Directors, subsequent to the first Board of Directors, shall be elected at the annual meeting of the membership, for a term of one year or until their successors shall be elected and shall qualify. Provisions for such election, and provisions for the removal, disqualification and resignation of Directors and for filling vacancies on the Board of Directors shall be established by the Bylaws.

Section 2

The principal officers of the corporation shall be the President, Secretary and Treasurer who shall be elected from time to time and in the manner set forth in the Bylaws. The Secretary and Treasurer may be combined and the position may be held by one person.

ARTICLE VII

The names of the officers who are to serve until the first election of officers, pursuant to the terms of the Declaration of Condominium and the Bylaws, are as follows:

James A. Newslow, III	President
James A. Newslow, III	Secretary
James A. Newslow, III	Treasurer

ARTICLE VIII

The following persons shall constitute the first Board of Directors and shall serve until the first election of the Board of Directors at the first regular meeting of the membership:

James A. Newslow, III

3 Aviator Way
Ormond Beach, Florida 32174

David A. Stark

570 South Younge
Ormond Beach, Florida 32174

Heather W. Newslow

3 Aviator Way
Ormond Beach, Florida 32174

ARTICLE IX

The Bylaws of the corporation shall initially be made and adopted by its first Board of Directors. Prior to the time the real property and improvements have been submitted to condominium ownership by recording the Declaration of Condominium, said first Board of Directors shall have full power to amend, alter, rescind or modify said Bylaws by a majority vote. After the real property and improvements have been submitted to condominium ownership by recording the Declaration of Condominium, the Bylaws may be amended, altered, modified or supplemented by a vote as set forth therein.

ARTICLE X

These Articles of Incorporation may be amended from time to time by a 25% vote of the members of the corporation provided said vote is taken at a regular or special meeting of the corporation after proper notice of said meeting has been duly given.

ARTICLE XI

This corporation shall have all of the powers as set forth in Florida Statutes Chapter 617 or its successor, together with all the powers set forth in The Condominium Act of the State of Florida and all powers granted to it by the Declaration of Condominium with exhibits attached thereto, including the power to contract for the management of the Condominium.

ARTICLE XII

This corporation shall not issue shares of stock and no dividend and no part of the income of the corporation shall be distributed to its members, directors or officers. Excess receipts over disbursements, if any, shall be applied against future expenses and reserves as appropriate. The corporation may compensate in a reasonable manner its members, directors or officers for services rendered, may confer benefits upon its members in conformity with its general purposes and upon dissolution or final liquidation may make

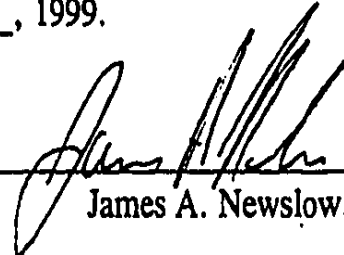
distribution to its members as is permitted by the Court having jurisdiction thereof and no payment, benefit or distribution shall be deemed to be a dividend or distribution of income.

ARTICLE XIII

The street address of the initial registered office of this corporation is 3 Aviator Way, Ormond Beach, Florida 32174, and the name of the initial registered agent of this corporation at that address is James A. Newslow, III.

IN WITNESS WHEREOF, the subscribers hereto have set their hands and seals this

28th day of APRIL, 1999.

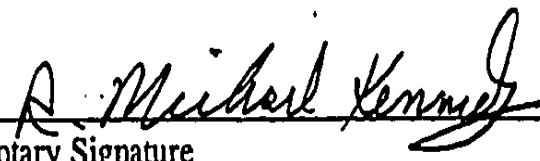
 [SEAL]
James A. Newslow, III

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 28th day of APRIL, 1999, by JAMES A. NEWSLOW, III, who is personally known to me or who has produced _____ as identification.

Notary Public
Title or Rank **R. MICHAEL KENNEDY**
MY COMMISSION # CC 721823
EXPIRES: April 10, 2002
Bonded Thru Notary Public Underwriters

Commission Number


Notary Signature

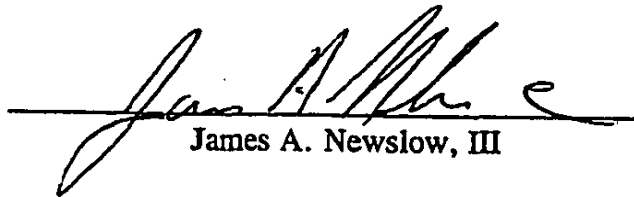
R. Michael Kennedy
Notary Name Printed

My Commission Expires:

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
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ACCEPTANCE BY REGISTERED AGENT

THE UNDERSIGNED, having been named to accept service of process for the above-stated corporation, at the place designated in the foregoing Articles of Incorporation, hereby accepts to act in this capacity and agrees to comply with the provisions of Section 48.091, Florida Statutes, and all other provisions thereof, relative to keeping open said office.


James A. Newslow, III

CONSENT OF MORTGAGEE

SOUTHTRUST BANK, N.A., herein referred to as "Mortgagee", is the current owner and holder of a certain mortgage encumbering the real property described in the Declaration of Condominium to which this Consent is attached, which mortgage is dated August 7, 1998 and was recorded August 10, 1998 in Official Records Book 624, Page 92, Public Records of Flagler County, Florida.

To the extent it is required to do so pursuant to the laws of the State of Florida, Mortgagee hereby consents to recordation of the Declaration of Condominium to which this Consent is attached and Mortgagee agrees that the lien of the aforesaid mortgage shall hereafter be upon each and every Unit and the percentage interest in the Common Elements appurtenant thereto as set forth on the exhibits to said Declaration of Condominium. Notwithstanding the foregoing, this Consent shall not be deemed a partnership or joint venture with the Developer or any successor as set forth in the aforesaid Declaration of Condominium.

WITNESSES:

Michael Thomas
Michael Thomas
Bonnie B. Shelfer
Bonnie B. Shelfer

SOUTHTRUST BANK, N.A.
By [Signature]

STATE OF FLORIDA
COUNTY OF Volusia

The foregoing instrument was acknowledged before me this 11 day of June, 1999, by Pete Kinnon, on behalf of SouthTrust Bank, N.A., who is personally known to me or who has produced _____ as identification.

Notary Public
Title or Rank

Bonnie B. Shelfer
Notary Signature

Comm 

