73- 84510

This instrument prepared by:
J. RICHARD SMITH, Attorney ← RETURN TO
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Fort Lauderdale, Florida 33301
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JACK WHEELER, COUNTY RECORDER

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DECLARATION OF CONDOMINIUM

Affecting the land and all improvements thereon known as VILLA RIO, a condominium lying and being in the County of Broward and State of Florida, and described as:

> Lots 32 and 33, CALIBAN, according to the Plat thereof, as recorded in Plat Book 27, Page 12, of the Public Records of Broward County, Florida.

With the exception of that portion of Lots 32 and 33 of CALIBAN described as follows:

> Beginning at the Southeast corner of said Lot 33; thence Northerly, along the East line of said Lot 33, a distance of 25.5 feet; thence Westerly, 25.5 feet North of and parallel to the South line of said Lot 33, a distance of 145.0 feet; thence Southerly, 145.0 feet West of and parallel to the East line of said Lot 33, a distance of 24.5 feet; thence Westerly, 1.0 feet North of and parallel to the South line of said Lot 32, a distance of 63.0 feet to a point on the West line of said Lot 32; thence Southerly, along the West line of said Lot 32, a distance of 1.0 feet, to the Southwest corner of Lot 32; thence Easterly, along the South line of said Lots 32 and 33, a distance of 208.0 feet to the Point of Beginning.

RECITALS, INTENT AND PURPOSE

WHEREAS, Broward A.P.T. Corporation, a Florida corporation, hereinafter referred to as the "Developer," as owner in fee simple of the Property, has constructed thereon a multi-family dwelling containing, among other things, twenty-eight (28) separate parcels of real property which, in accordance with the provisions herein contained, shall nevertheless be subjected to the benefits and burdens of a condominium; and

WHEREAS, a condominium is a method of ownership which, when applied to a multi-family dwelling, provides for a separate title to each residential unit, which title shall consist of an apartment and an undivided interest in and to all of the Property that remains other than Apartments; and

WHEREAS, notwithstanding such separation of title, however, the owners by placing the condominium plan into effect will own with others, common area property, including without intending to limit the same to such elements thereof as the parking areas, landscaped areas, swimming pool and related

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facilities used and controlled in a manner consistent with the needs and desires of the residents and the community in which the Property is located; and

WHEREAS, it is desirable, therefore, that this Declaration provide the basic requirements for such needs and provide for proper use of the Property, and that within these basic requirements, the Association hereinafter referred to, and its Board of Governors shall have the right and duty to effect the purposes of the condominium.

NOW, THEREFORE:

DECLARATION - Developer hereby declares on behalf of itself, its successors, and its grantees, and assigns to its grantees and their respective heirs, successors and assigns as well as to any and all persons having, acquiring or seeking to have or acquire any interest of any nature whatsoever in and to any part of the Property, as follows:

The Property from and after the date of the recording of this Declaration in the Office of the Clerk of the Circuit Court, in and for Broward County, Florida, shall be designated VILLA RIO, a condominium, and shall continue subject to each and all of the terms hereof until this Declaration is terminated or abandoned in accordance with the provisions herein elsewhere contained and in conformance with the provisions of Florida Statutes 711 entitled "Condominium Act."

I. DEFINITIONS: As used herein or elsewhere in the Condominium Documents unless otherwise provided, or unless the context requires otherwise, the following terms shall be defined as in this Article provided.

1. Apartments: Any one of those parts of the Building which is separately described on Architect Plans as Apartment

followed by a number and unit described in the condominium deed as "unit."

2. Apartment Owner: The person, persons or entity holding title in fee simple to an Apartment.

3. Assessment: That portion of the cost of maintaining, repairing and managing the Property which is to be paid by each Apartment Owner.

4. Association: Villa Rio Condominium Apartments, Inc. and its successors, a Florida corporation not for profit, copies of the Articles of Incorporation and By-Laws of which corporation are annexed hereto and made parts hereof as Exhibits B and C respectively.

5. Building: The entire structure to be located on the Property will be built substantially in accordance with Plans and Specifications therefor prepared by Paul M. Bradley, Jr., 2004 N. E. 49th Street, Fort Lauderdale, Florida, Commission No. 2822, Registration No. 1925.

6. Common Elements: All that part of the Property which is not within the twenty-eight (28) Apartments as such Apartments are shown on the Architect Plans or which exist within Apartments or as appurtenances thereto by virtue of an easement herein created.

7. Limited Common Elements: That portion of the Common Elements consisting of separate and designated parking spaces specifically identified in Exhibit E, as to each of which parking spaces a right of exclusive use has been reserved as an appurtenance to a particular Apartment as set forth in Exhibit E.

8. Common Expenses: The actual and estimated costs of:

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(a) maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Apartments as to which, pursuant to other provisions hereof, it is the responsibility of the Association to maintain, repair and replace;

(b) management and administration of the Association, including without intending to limit the same to compensation paid by the Association to a managing agent, accountant, attorney and other employees;

(c) any other items held by or in accordance with any other provisions of this Declaration or the Condominium Documents to be Common Expenses.

9. Common Surplus: The excess of all receipts of the Association including but not limited to assessments, rents, profits and revenues on account of the Common Elements, over the amount of the Common Expenses.

10. Condominium Documents: This Declaration and the Exhibits annexed hereto as the same from time to time may be amended. Said Exhibits are as follows:

Exhibit A - Architect Plans: Survey and Site Plan, with typical floor plans, together with Apartment Plan and shares of interest attributed to the respective Apartments in and to the Common Elements, prepared by the Architect, Paul M. Bradley, Jr., Commission No. 2822, and recorded in Condominium Book Page , Broward County Records.

Exhibit B - Articles of Incorporation of Villa Rio Condominium Apartments, Inc.

Exhibit C - By-Laws of Villa Rio Condominium Apartments, Inc.

Exhibit D - Recreational Lease

Exhibit E - Developer's Designation of Parking Spaces.

Exhibit F - Pier License and Dockage Rules.

11. Developer: Broward A.P.T. Corporation, its successors and/or assigns.

12. Person: Developer and any individual, firm, corporation, trustee or other entity capable of holding title to real property.

13. Plans and Specifications: The Plans and Specifications referred to in Article 1.5 hereof.

14. Property: The land as hereinabove described, and the improvements located thereon.

15. Share: The percentage in and to the Common Elements attributed to each Apartment as set forth in Exhibit A.

16. By-Laws: The By-Laws for the government of the condominium as they may exist from time to time.

17. Condominium Parcel: An Apartment Unit together with the undivided share in the Common Elements and Common Surplus which are appurtenant to the Apartment Unit.

18. Condominium Property: Means and includes the land in a condominium whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto for use in connection with the condominium.

II. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS USE: The Common Elements shall be used in accordance with and subject to the following provisions:

1. Covenants Against Partition. In order to effectuate the intent hereof and to preserve the Condominium and the condominium method of ownership, the Property shall remain undivided and no person, irrespective of the nature of his interest in the property, shall bring any action or proceeding for partition or

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division of the Property or any part thereof until the termination of this Declaration, in accordance with provisions herein elsewhere contained.

2. Rules and Regulations Promulgated by the Association. No person shall use the Common Elements or any part thereof in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time may be promulgated by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the Common Elements to members of the Association and their respective families, guests, lessees, invitees and servants, as well as to provide for the exclusive use by an Apartment Owner and his guests, for specific occasions, of the swimming pool, or other similar facilities. Such use may be conditioned upon, among other things, the payment by the Apartment Owner of such assessment as may be established by the Association for the purpose of defraying the costs thereof.

3. Maintenance, repair, management and operation of the Common Elements shall be the responsibility of the Association, and the Association may delegate the responsibility of management and operation to a qualified manager or professional management organization.

4. Expenses incurred or to be incurred for the maintenance, repair, management and operation of the Common Elements shall be collected from Apartment Owners, as assessed, in accordance with the provisions contained elsewhere herein.

5. Subject to the rules and regulations from time to time pertaining thereto, all Apartment Owners may use the Common Elements in such manner as will not restrict, interfere with or impede the use thereof by other Apartment Owners.

6. Alterations and Improvements. The Association shall have the right to make or cause to be made such alterations and improvements to the Common Elements as do not exceed the sum of $10,000 at any one time. In the event the cost of said alterations and improvements shall exceed the sum of $10,000, the approval of not less than seventy (70%) per cent of the first mortgagees shall be required. No changes, alterations, or improvements may be made to the individual apartments which will affect the exterior structure or appearance of the building.

7. Shares of Apartment Owners. The Share of each Apartment Owner in the Common Elements shall be an individual 1/28 of such Common Elements as shown in Exhibit A annexed hereto and may be altered only by amendment thereof executed in form for recording by all of the Apartment Owners and first mortgagees of such Owners. No such alteration shall affect the lien of prior recorded mortgages unless written consent of the holder of such mortgage is obtained and recorded.

8. The Share of an Apartment Owner in the Common Elements is appurtenant to the Apartment owned by him, and inseparable from apartment ownership.

9. Rights of Developer. Within two (2) years from the date of the recording of this Declaration of Condominium the Developer shall have the right to assign particular parking spaces in the Limited Common Elements to particular Apartments, which assignments shall be made by instrument in writing. Upon such assignment of such parking space in the Limited Common Elements to an Apartment, the owner of such Apartment shall have the exclusive right to the use thereof without separate charge therefor by the Association, although nothing herein contained shall be construed as relieving

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such owner from any portion of any assessment for common expense made against his Apartment, as hereinafter provided, it being the intention hereof that the cost of maintenance and administration of Limited Common Elements shall be included as part of the common expense applicable to all Apartments for purposes of assessment. Upon such assignment, the exclusive right of the owner of the Apartment to which assignment is made shall become an appurtenance to said Apartment and shall be encumbered by and subject to any mortgage then or thereafter encumbering said Apartment, and upon the conveyance of or passing of title to the Apartment to which such assignment is made, such exclusive right shall pass as an appurtenance thereto, in the same manner as the undivided interest in the Common Elements appurtenant to such Apartment. No conveyance, encumbrance or passing of title in any manner whatsoever to any exclusive right to use a parking space constituting Limited Common Elements may be made or accomplished separately from the conveyance, encumbrance or passing of title to the Apartment to which it is appurtenant, except that such exclusive right may be separately assigned, transferred or conveyed to the Association, provided that as a condition precedent to the conveyance, assignment or transfer to the Association of said exclusive right, the same shall be released from any mortgage, lien or encumbrance encumbering the Apartment from which such appurtenance is being severed by conveyance, assignment or transfer. Whenever the Association shall become the owner of the exclusive right to use any parking space constituting Limited Common Elements, the acquisition of which such exclusive right shall be by written instrument. Such exclusive right may be thereafter by instrument executed in such formality transferred by the Association to any Apartment to the same force and effect as if originally

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assigned thereto by the Developer. However, while the Association shall be the owner of the exclusive right to use any parking space constituting Limited Common Elements, the same shall be treated by the Association just as though said parking space constituted a part of the Common Elements instead of the Limited Common Elements. In the event that Developer shall not have transferred the exclusive right to use all parking spaces constituting Limited Common Elements to particular Apartments at the expiration of two years from the date of recordation of this Declaration of Condominium, then the right of the Developer to make such assignment shall cease and terminate with respect to the exclusive right to use any then unassigned parking spaces constituting Limited Common Elements and the rights previously vested in the Developer as to said unassigned parking spaces constituting Limited Common Elements shall pass to and be vested in the Association just as though the Developer had assigned same to particular Apartments, from which Apartments same had been transferred to the Association.

III. MAINTENANCE AND REPAIR OF APARTMENTS

1. The Association, at its expense, shall be responsible for the maintenance and repair and replacement of:

(a) All portions of the Apartments which contribute to the support of the Building, excluding, however, interior walls, ceiling and floors not damaged due to structural defects, and including, without intending to limit the same to outside walls of the Building, structural slabs, roof, interior boundary walls of apartments, and load-bearing columns;

(b) All conduits, ducts, plumbing, wiring, lighting fixtures and other facilities for the furnishing of utility services which may be contained in the Apartment but excluding therefrom appliances and plumbing fixtures;

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(c) All incidental damage caused to an Apartment by such work as may be done or caused to be done by the Association in accordance herewith;

(d) nothing herein contained shall be construed so as to cause the Association to be obligated for damage caused by the negligence of owners, their respective families, servants, lessees, invitees and guests, but rather these persons shall be liable for any damage which they may cause to the Common Elements.

2. By the Apartment Owners. The responsibility of the Apartment Owner shall be as follows:

(a) to maintain, repair and replace at his expense all portions of the Apartment except the portions of each to be maintained, repaired and replaced by the Association.

(b) To perform his responsibilities in such manner so as not unreasonably to disturb other persons residing within the Building.

(c) not to paint or otherwise decorate or change the appearance of any portion of the Building not within the walls of the Apartment, unless the written consent of the Association is obtained.

(d) to promptly report to the Association or its agent any defect or need for repair, the responsibility for the remedying of which is with the Association.

(e) not to make any alterations in the portions of the Apartment or the Building which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety or soundness of the Building without first obtaining the written consent of the Board of Governors of the Association and all first mortgagees of individual units, nor shall any Apartment Owner impair any easement without first obtaining the written consent of the Association and of the Apartment Owner or Owners for whose benefit such easement exists.

3. Nothing herein contained, however, shall be construed so as to impose a contractual liability upon the Association for maintenance, repair and replacement of the interior of any Apartment, but the Association's liability for said interior of any Apartment shall be limited to damages resulting from its negligence.

IV. APARTMENTS SHALL BE CONSTITUTED AS FOLLOWS:

1. Real Property: Each Apartment, together with the space within it as shown on the Architect Plans together with all appurtenances thereto, shall, for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, independently of all other parts of the Property, subject, however, to the provisions of this Declaration of Condominium.

2. Boundaries. Each Apartment shall be bounded as to both horizontal and vertical boundaries as shown on the Architect Plans, subject to such encroachments as are contained in the Building whether the same exist now or are created by construction, settlement or movement of the Building, or permissible repairs,

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reconstruction or alterations. Said boundaries are intended to be as follows:

(a) Vertical Boundaries:

(i) the underside of the concrete slab above and abutting the Apartments;

(ii) the underside of the concrete slab below and abutting the Apartments;

(b) Horizontal Boundaries:

(i) interior, between Apartments - the various planes formed by the center lines of the interior walls between Apartments;

(ii) interior, adjacent to a Common Element - the various planes formed by the exterior of the interior Apartment wall adjacent to a Common Element serving more than one Apartment.

(iii) exterior of Apartments - the various planes formed by the exterior of the outside walls of the Building and/or the various planes formed by the exterior except that if there is attached to or abutting the Building a balcony or terrace serving only the Apartment being bounded, such boundary shall be extended and include within it such balcony or terrace.

3. Appurtenances. Each Apartment shall include and the same

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shall pass with each Apartment as an inseparable appurtenance thereto, whether or not separately described, conveyed or encumbered, all of the rights, title and interest of an Apartment Owner in the Property, which shall include but not be limited to:

(a) Common Elements and Common Surplus: An undivided share in and to the Common Elements and Common Surplus, such undivided share to be that portion set forth in Exhibit A;

(b) The conveyance of a Limited Common Element as an appurtenance to the Apartment known as a parking space for a private passenger automobile, which parking space for each apartment has been designated by the Developer in accordance with Article II paragraph 9 on attached Exhibit E.

(c) Easements for the benefit of the Apartment.

(d) Association membership and funds and assets held by the Association for the banefit of the Apartment Owner.

(e) All such appurtenances, however, shall be and continue to be subject to the easement for the benefit of other Apartments.

(f) In addition to and not in derogation of the ownership of the space described on the Arthitect Plans, an exclusive easement for the use of the space not owned by the Apartment Owner and which is occupied by the Apartment which easement shall exist until this Declaration is terminated in accordance with provisions herein elsewhere contained.

(g) The following easements from each Apartment Owner

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to each other Apartment Owner, the Association and the Developer,

(i) Ingress and Egress. Easements through the Common Elements for ingress and egress for all persons making use of such Common Elements, and the Recreational Lease area in accordance with the Condominium Documents;

(ii) Structural Support. Every portion of an an Apartment which contributes to the structural support of the Building shall be burdened with an easement of structural support for the benefit of the Common Elements;

(iii) Emergency easements of Ingress and Egress. Easement over all balconies whenever reasonably required for emergency ingress and egress.

(iv) No Apartment Owner shall install or allow to be installed any lock, security device or other thing which will or might impair such easements.

(h) The following easements from each Apartment Owner to the Association:

(i) Maintenance, repair and replacement. Easements through the Apartments and Common Elements for maintenance, repair and replacement of the Apartments and Common Elements. Use of these easements, however, for access to the Apartments shall be limited to reasonable hours, except that access may be had at any time in case of emergency.

(ii) Utilities. Easements through the Apartments and Common Elements for all facilities for the furnishing of utility services within the Building, which facilities shall include but not be limited to conduits, ducts, plumbing

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and wiring; provided, however, that the easement for such facilities through an Apartment shall be only substantially in accordance with the Plans and Specifications of the Building.

4. Pier License. A unit owner may obtain a pier license in accordance with the terms of the Pier License and Dockage Rules and Regulations attached hereto as Exhibit F.

V. USE RESTRICTIONS.

In order to provide for a congenial occupation of the Building and to provide for the protection of values of the Apartments, the use of the Property shall be restricted to and be in accordance with the following provisions:

1. The Apartments shall be used for single family residences only, and children under the age of 12 years shall not be permitted as permanent residents. Such children may be the guests of permanent residents, however, for a period of time not to exceed a total of 60 days in any calendar year.

2. The Common Elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the Apartments.

3. No Apartment shall be occupied by any person not approved in advance by the Board of Governors of the Association. In no event shall any Apartment be occupied by more than six (6) permanent residents. The Association shall signify in writing such approval or disapproval within thirty (30) days after the same is requested in writing, provided that simultaneously with such request, there is submitted to the Association the name of the person in question, his residence address, together with such other information as the Association might reasonably request. Any such approval once given may not thereafter be withdrawn. Failure of the Board of Governors to disapprove within such period conclusively shall be deemed to constitute approval. The provisions in this paragraph shall not be applicable to any mortgagee or purchaser or lessee from such mortgagee as recited in Article XVII, hereof.

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4. No nuisances shall be allowed upon the Property nor shall any use or practice be allowed which is a source of annoyance to residents or which interfers with the peaceful possession and proper use of the Property by its residents. In no event shall any apartment owner be entitled to harbor or maintain a dog on the premises which exceeds a weight of fifteen (15) pounds.

5. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of Apartment Owners and the Association of complying with the requirements of governmental bodies which require maintenance, modification or repairs of the Property shall be the same as hereinabove provided for the maintenance and repair of that portion of the Property subjected to such requirements.

6. Interpretation. In interpreting deeds, mortgages and plans, the existing physical boundaries of the unit or a unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed, mortgage or plan, regardless of settling or lateral movements of the building and regardless of minor variance between boundaries shown on the plat or in the deed and those of the Building.

7. Regulations concerning use of the Property may be promulgated by the Association as hereinabove set forth; provided, however, that copies of such regulations are furnished to each Apartment Owner prior to the time that the same become effective. The initial regulations shall be deemed effective until amended by the Association. Such regulations shall not impair or limit the rights of mortgagees as elsewhere recited.

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VI. CONVEYANCES.

The sale, leasing and mortgaging of Apartments, shall be subject to the following provisions until this Declaration is terminated in accordance with provisions herein elsewhere contained.

1. The developer shall not be required to obtain approval

of the Board of Governors for the sale or lease of any Apartment. No Apartment Owner may dispose of an Apartment or any interest therein by sale or by lease without approval of the Board of Governors of the Association, which approval of the Association shall be obtained in the manner hereinafter provided:

(a) Notice to Association. An Apartment Owner intending to make a sale or a lease of his Apartment or any interest therein shall give notice to the Association of such intention, together with the name and address of the intended purchaser or lessee, such other information as the Association reasonably may require and the terms of the proposed transaction. The giving of such notice shall constitute a warranty and representation by the Apartment Owner to the Association and any purchaser or lessee produced by the Association as hereinafter provided, that the Apartment Owner believes the proposal to be bona fide in all respects.

(b) Election of Association. Within thirty (30) days after receipt of such notice, the Board of Governors of the Association shall either approve the transaction or furnish a purchaser or lessee approved by the Association (and give notice thereof to the person desiring to sell or lease his apartment) who will accept the transaction upon terms as favorable to the seller as the terms stated in the notice, except that a purchaser or lessee furnished by the Association may have not less than thirty (30) days subsequent to the date of approval within which to close the transaction, and except that the approval of a corporation may be conditioned as elsewhere stated. The approval of the Board of Governors of the Association shall be in recordable form, signed by any two members of the Board, and shall be delivered to the purchaser or lessee. The failure of the Association to act within such 30-day period shall be deemed to constitute approval, following which the Association nevertheless shall prepare and deliver written approval in recordable form, as aforesaid. The Apartment Owner given such notice shall be bound to consummate the transaction with such purchaser or lessee as may be approved and furnished by the Association.

(c) The Association, subject to approval by the Board of Governors, shall have the right to purchase any Apartment.

2. Mortgage. No Apartment Owner may mortgage his Apartment nor any interest therein without the approval of the Association except to a bank, life insurance company, public or private pension fund, or savings and loan association. The approval of any other mortgagee may be upon conditions determined by the Board of Governors of the Association.

VII. ADMINISTRATION

The administration of the Property, including but not limited to the acts required of the Association shall be governed by the following provisions:

1. The Association shall be incorporated under the name "Villa Rio Condominium Apartments, Inc." as a corporation not for profit under the laws of the State of Florida, under Articles of Incorporation of which a copy is attached as Exhibit B. Any other form of organization for the Association may be substituted after first obtaining the written approval of all the members thereof.

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2. The By-Laws of the Association shall be in the form attached as Exhibit C until such are amended in the manner therein provided.

3. The duties and powers of the Association shall be those set forth in this Declaration, the Articles of Incorporation, and the By-Laws, together with those reasonably implied to effect the purposes of the Association and this Declaration; provided, however, that if there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the By-Laws, the terms and provisions of this Declaration shall prevail and the Apartment Owners covenant to vote in favor of such amendments in the Articles of Incorporation and/or By-Laws as will remove such conflicts or inconsistencies. The powers and duties of the Association shall be exercised in the manner provided by the Articles of Incorporation and the By-Laws and any duties or rights of the Association which are granted by or to be exercised in accordance with the provisions of this Declaration shall be so exercised except that wherever this Declaration requires the act or approval of the Board of Governors of the Association, such act or approval must be that of the Board done or given in accordance with the By-Laws.

4. Notice or demands, for any purpose, shall be given by the Association to Apartment Owners, and by Apartment Owners to the Association and other Apartment Owners in the manner provided for notices to members of the Association by the By-Laws of the Association.

5. All funds and the titles of all properties acquired by the Association and the proceeds thereof after deducting therefrom the costs incurred by the Association in acquiring the same shall be held for the benefit of the Apartment Owners for the purposes herein stated.

6. All income received by the Association from the rental or licensing of any part of the Common Elements (as well as such

income anticipated) shall be used for the purpose of reducing prospective Common Expenses prior to establishing the annual assessment for Common Expenses.

VIII. INSURANCE

The insurance which shall be carried upon the Property shall be governed by the following provisions:

1. Authority to Purchase. Except Builders Risk and other required insurance furnished by the Developer during construction; all insurance policies upon the Property (except as hereinafter allowed) shall be purchased by the Association for the benefit of the Apartment Owners and their respective mortgagees as their interests may appear and shall provide for the issuance of certificates of insurance mortgagee endorsements to the holders of first mortgages on the Apartments or any of them, and if insurance companies will agree, shall provide that the insurer waives its right of subrogation as to any claim against Apartment Owners, the Association and their respective guests, servants, and agents. Such policies and endorsements will be deposited with the Insurance Trustee (as hereinafter defined) who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof.

2. Approval. All insurance policies upon the condominium property shall be purchased by the Association through an agent having a place of business in Broward County, Florida, and shall be issued by an insurance company authorized to do business in Florida, and shall be subject to approval by at least seventy (70%) per cent of any mortgagees who have permanent mortgages on Apartment Units. Such approval may be obtained by directing to the mortgagee having the right of approval, a request in writing for approval or disapproval within ten (10) days after receipt of the request; and if a response from the mortgagee is not received within such ten-day (10) period, the request shall be deemed to be approved. An approval shall not be unreasonably

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withheld or denied.

3. Named Insured. The named insured shall be the Association individually and as agent for the Apartment Owners without naming them, and shall include the mortgagees of Apartments which are listed in the roster of mortgagees. Such policies shall provide that payments for losses thereunder by the insuror shall be paid to the Insurance Trustee hereinafter designated, and all policies and endorsements thereon shall be deposited with the Insurance Trustee. Apartment Owners may obtain insurance coverage at their own expense upon their own personal property and for their personal liability.

4. Copies to Mortgagees. One copy of each insurance policy and of all endorsements thereon shall be furnished by the Association to each mortgagee included in the mortgagee roster. Such copies shall be furnished not less than ten days prior to the expiration of expiring policies.

5. Coverage.

(a) Casualty. The Building and all other insurable improvements upon the land and all personal property as may be owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereon (exclusive of excavation and foundations) as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against the following:

(1) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement;

(ii) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the Building, including but not limited to vandalism, malicious mischief, windstorm and water damage.

(b) Public Liability and property damage, in such amounts and in such forms as shall be required by the Association, including but not limiting the same to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverages;

(c) Workmen's Compensation policy to meet the requirements of law;

(d) All liability insurance shall contain cross-liability endorsements to cover liabilities of the Apartment Owners as a group to an Apartment Owner.

6. Premiums: Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged as Common Expenses.

7. All insurance policies purchased by the Association shall be for the benefit of the Association and the Apartment Owners and their respective mortgagees as their respective interests may appear and shall provide that all proceeds payable as a result of casualty losses shall be paid to the First National Bank of Pompano Beach, as Trustee, or to any other bank in Florida with trust powers and total assets of more than $50,000,000.00. Such Trustee or any other bank acting as such is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be

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liable for payment of premiums nor for the renewal of the policies, nor for the failure to collect any insurance proceeds. The sole 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 Association, the Apartment Owners, and their respective mortgagees, in the following shares, but such shares need not be set forth upon the records of the Insurance Trustee:

(a) Common Elements. Proceeds on account of damage to Common Elements - that undivided share for each Apartment Owner and his mortgagee, if any, which is set forth in Exhibit A.

(b) Apartments. Proceeds on account of Apartments shall be held in the following manner in undivided shares.

(i) partial destruction when the building is restored - for the Owners of damaged Apartments in proportion to the costs of repairing the damage suffered by each damaged Apartment. Upon the request of the Insurance Trustee, the Association shall certify to the Insurance Trustee the appropriate portions as aforesaid, and each Apartment Owner shall be bound by and the Insurance Trustee may rely upon such certification .

(ii) Total destruction when the Building is destroyed or where the Building is not to be restored - for all Apartment Owners, the share of each being that share set forth in Exhibit A.

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(c) Mortgagees. In the event a mortgagee endorsement has been issued as to an Apartment, the share of the Apartment Owner shall be held in trust for the mortgagee and the Apartment Owner as their interests may appear; provided, however, 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 distributions thereof made to the Apartment Owner and mortgagee pursuant to the provisions of this Declaration.

8. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the beneficial Owners after first paying or making provisions for payment of the expenses of the Insurance Trustee in the following manner:

(a) Reconstruction or Repair. If the damage for which the proceeds were paid is to be repaired or reconstructed, the 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; all remittances to Apartment Owners and their mortgagees being payable jointly to them; This is a covenant for the benefit of any mortgagee of an Apartment and may be enforced by him.

(b) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners, remittances to Apartment Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of any Apartment and may be enforced by him.

(c) Certificate. In making distribution to Apartment Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the Apartment Owners and their respective shares of the distribution. Upon request of the Insurance Trustee, the Association shall forthwith deliver such certificate.

(d) The provisions of this Section VIIIshall not be amended without prior written approval of the mortgagees.

IX. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

A. If any part of the Common Elements shall be damaged by casualty, such damaged portion shall be promptly reconstructed or repaired as hereinafter provided for unless such damage renders one-half or more of the Apartments untenantable and Apartment Owners, who, in the aggregate, own eighty percent (80%) or more of the shares, vote against reconstruction or repair at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days thereafter.

1. Any such reconstruction or repair shall be substantially in accordance with the original Plans and Specifications of Villa Rio as prepared by the Architect.

2. Encroachments upon or in favor of Apartments which may be created as a result of such reconstruction of repair shall not constitute a claim or basis of a proceeding or action by the Apartment Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the Plans and Specifications or as the Building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Building stands.

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3. Certificate. The Insurance Trustee may rely upon a certificate of the Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Association, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

B. Responsibility. If the damage is only to those parts of one apartment for which the responsibility of maintenance and repair is that of the Apartment Owner, then the Apartment 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.

1. Estimate of Costs. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Governors desires.

2. Assessments. If the proceeds of insurance policies are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premiums, if any) assessment shall be made against all Apartment Owners in sufficient amounts to provide funds for the payment of such costs.

3. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against Apartment Owners, shall be disbursed in payment of such cost in the following manner:

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(a) Association. If the amount of the estimated costs of reconstruction and repair exceeds the total of the annual assessments for Common Expenses made during the year in which the casualty occurred, then the sums paid upon assessments to meet such costs shall be deposited by the Association with the Insurance Trustee.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from collections of assessments against Apartment Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(i) Apartment Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Apartment Owner: to such contractors, suppliers and personnel as do the work or supply the materials or services required for such reconstruction or repair, in such amounts and at such times as the Apartment Owner may direct, or if there is a mortgagee endorsement, then to such payees as the Apartment Owner and the first mortgagee direct. Nothing herein contained, however, shall be construed so as to limit or modify the responsibility of the Apartment Owner to make such reconstruction and repair.

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(ii) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair is less than the total of the annual assessments for Common Expenses made during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund shall be disbursed in the same manner hereafter provided for the reconstruction and repair of major damage.

(iii) Association - Major Damage. If the amount of the estimated cost of reconstruction and repair of the Building or other improvements is more than the total of the annual assessment for Common Expenses made during the year in which the casualty occurred, then the construction fund shall be applied by the Insurance Trustee to the payment of such costs, and shall be paid to or for the account of the Association from time to time as the work progresses, but not more frequently than once in any calendar month. Said Insurance Trustee shall make such payments upon the written request of the Association for withdrawal of insurance proceeds accompanied by a certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Association and by an architect in charge of the work, who shall be selected by the Association, setting forth:

(i) that the sum then requested either has been paid by the Association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work giving a brief description of the services and materials and any amounts paid prior to the request, and stating that the sum requested does not exceed the value of the services and materials described in the certificate.

(ii) that except for the amount stated in such certificate to be due as aforesaid, there is not outstanding indebtedness known to the person signing such certificate after due inquiry, which might become the basis of a vendor's mechanic's, materialmen's or similar lien upon such work, the Common Elements or any individual Apartment, and

(iii) That the cost as estimated by the person signing such certificate of work remaining to be done subsequent to the date of such certificate, does not exceed the amount of insurance proceeds remaining in the hands of the

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Insurance Trustee after the payment of the sum so requested.

(iv) Surplus. It shall be presumed that the first monies disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed jointly to the Apartment Owners and their mortgagees, who are the beneficial owners of the fund.

4. Insurance Adjustments. Each Apartment Owner shall be deemed to have delegated to the Board of Governors his rightto adjust with insurance companies all losses under policies purchased by the Association except in any case where the damage is restricted to one Apartment, subject to the rights of mortgagees of such Apartment Owners.

5. The provisions of this Section IX shall not be amended without the prior written approval of the mortgagees.

X. TAXES AND SPECIAL ASSESSMENTS

1. The assessment of each of the Apartments for taxes and special assessments by governmental bodies shall be subject to applicable Florida Statutes.

2. During any period of time the taxes and special assessments upon the Property or any portion thereof are not assessed to Apartments as aforesaid, the taxes and assessments not separately assessed to Apartments shall be included in the budget of the Association and shall be paid by the Association. The Association shall assess each Apartment Owner in accordance with the manner hereinabove set forth for allocation of taxes and special assessments by

tax assessors.

3. Return for Taxation. The Association shall make a return of all property for taxation in the names of the respective Apartment Owners returning for each a share determined in the manner hereinabove provided for allocation of the assessments by tax assessors.

XI. ASSESSMENTS

Assessments against the Apartment Owners shall be made or approved by the Board of Governors of the Association and paid by the Apartment Owners to the Association in accordance with the following provisions:

1. Share Expense. Common Expenses - Each Apartment Owner shall be liable for his share of the Common Expenses, and this share shall be equal to the percentage that each Apartment bears to the Common Elements as set forth in Exhibit A, and his share in the Common Surplus shall be a like percentage.
2. Assessments other than Common Expenses. Any assessments, the authority to levy which is granted to the Association or its Board of Governors by the Condominium Documents, shall be paid by the Apartment Owners to the Association in the proportions set forth in the provisions of the Condominium Documents authorizing the assessment.
3. Accounts. All sums collected by the Association from assessments may be co-mingled in a single fund but they shall be held for the Apartment Owners in the respective share in which they are paid and shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made. Such accounts shall be as follows:

   (a) Common Expense Account - to which shall be credited collections of assessments for all

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Common Expenses as well as payments received for defraying costs of the use of Common Expenses.

(b) Alteration and Improvement Account - to which shall be credited all sums collected for alteration and improvement assessments;

(c) Reconstruction and Repair Account - to which shall be credited all sums collected for reconstruction and repair assessments.

(d) Emergency Account - to which shall be credited all sums collected for emergencies.

4. Assessments for Common Expenses. Assessments for Common Expenses shall be made for the calendar year annually in advance on or before the second Monday in December of the year preceding that for which the assessment is made and at such other and additional times as in the judgment of the Board of Governors additional Common Expense assessments are required for the proper management, maintenance and operation of the Common Elements. Such annual assessments shall be due and payable monthly or quarterly during the calendar year, on the first day of the month, beginning with January of the year for which the assessments are made. The total of the assessments shall be in the amount of the estimated Common Expenses for the year including a reasonable allowance for contingencies and reserves less the amounts of unneeded Common Expense Account balances and less the estimated payments to the Association for defraying the costs of the use of the Common Elements. If an annual assessment is not made, as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.

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For purposes of determing the apartment owner and the commencement date for monthly assessments, the Developer shall not be construed to be the owner of any unit under a contract for sale but as of 30 days from the date of issuance of Certificate of Occupancy the Developer shall be liable for monthly assessments only upon those apartments unsold and not under contract as of that date.

5. Other Assessments. Other assessments shall be made in accordance with the provisions of the Condominium Documents, and if the time of payment is not set forth in the Condominium Documents, the same shall be determined by the Board of Governors of the Association.

6. Assessments for Emergencies. Assessments for Common Expenses of emergencies which cannot be paid from the Common Expense Account shall be made only by the Board of Governors of the Association.

7. Assessments for Liens. All liens of any nature including taxes and special assessments levied by governmental authority which are a lien upon more than one Apartment or upon any portion of the Common Elements shall be paid by the Association as a Common Expense and shall be assessed against the Apartments in accordance with the Share of the Apartments concerned or charged to the Common Expense Account, whichever in the judgment of the Board of Governors, is appropriate.

8. Assessment Roll. The assessments against all Apartment Owners shall be set forth upon a roll of the

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Apartments which shall be available in the office of the Association for inspection at all reasonable times by Apartment Owners or their duly authorized representatives. Such roll shall indicate for each Apartment the name and address of the Owner or Owners, the assessments for each Apartment for all purposes and the amounts of all assessments paid and unpaid. A certificate made by the Association as to the status of an Apartment Owner's assessment shall limit the liability of any person for whom made other than the Apartment Owner, and the Association shall issue such certificates to such persons as an Apartment Owner may request in writing.

9. Liability for Assessments. The Owner of an Apartment and his grantees shall jointly and severally be liable for all unpaid assessments due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. Such liability may not be avoided by a waiver of the use or enjoyment of any Common Element or by abandonment of the Apartment for which the assessments are paid. A purchaser of an Apartment at a judicial or foreclosure sale or a first mortgagee who accepts a deed in lieu of foreclosure, shall be liable for assessments coming due after such sale or delivery of a deed and shall be responsible only for that portion of the due assessments prorated for the period from the date of such sale or delivery of deed. Such a purchaser as aforesaid shall be entitled to the benefit for all prepaid assessments paid beyond the date such purchaser acquires title.

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10. Lien for Assessment. The unpaid portion of an assessment which is due shall be secured by a lien on the following property which shall be subordinate to any prior recorded mortgage on the Apartment.

(a) The Apartment and all appurtenances thereto when a notice claiming the lien has been recorded by the Association in the Public Records of Broward County, The Association shall not, however, record such a claim of lien until the assessment is unpaid for not less than twenty (20) days after it is due. Such claim of lien shall also secure all assessments which come due thereafter until the claim of lien is satisfied.

(b) All tangible personal property located in the Apartment except that such lien shall be subordinate to prior bona fide liens of record.

11. Collection.

(a) Interest: Application of Payments. Assessments and installments thereof paid on or before ten (10) days when due shall not bear interest but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of ten percent (10%) per annum from the date when due until paid. All payments upon account shall be applied first to interest and then the assessment payment first due. All interest collected shall be credited to the Common Expense Account.

(b) Suit. The Association at its option may enforce collection of delinquent assessments by suit at law or by foreclosure of the liens securing the assessments or by any other competent proceedings and in either event, the Association shall be entitled to recover in the same action, suit or proceedings the payments which are delinquent at the time of judgment or decree together with interest thereon at the rate of ten (10%) per cent per annum, and all costs incident to the collection and action, suit or proceedings, including, without limiting the same, to reasonable attorney's fees.

XII. COMPLIANCE AND DEFAULT

Each Apartment Owner shall be governed by and shall comply with the terms of the Condominium Documents and Regulations adopted pursuant thereto and said Documents and Regulations as they may be amended from time to time. A default shall entitle the Association or other Apartment Owners to the following relief.

1. Legal Proceeding. Failure to comply with any of the terms of the Condominium Documents and Regulations adopted pursuant thereto shall be grounds for relief which may include, without intending to limit the same to, an action to recover the sums due for damages, injunctive relief, foreclosure of a lien or any combination thereof, and which relief may be sought by the Association or if appropriate, by an aggrieved Apartment Owner.

2. All Apartment 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 or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liabilities shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Apartment or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

3. Costs and Attorney's Fees. In any proceedings arising because of an alleged default by an Apartment Owner, the prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be determined by the court.

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4. No Waiver of Rights. The failure of the Association or of an Apartment Owner to enforce any right, provisions, covenant, or conditim which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or Apartment Owner to enforce such right, provision, covenant or condition in the future.

5. All rights, remedies and privileges granted to the Association or an Apartment Owner pursuant to any term, provisions, covenant or conditions of the Condominium Documents shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies and privileges as may be granted to such party by the Condominium Document at law or in equity.

XIII. Amendment

Except for alterations in the shares which cannot be done except with the consent of all Apartment Owners whose shares are being affected and their mortgagees, and with the exception of any amendment to the requirements that the mortgagees approve any amendment to the provisions relating to their approval of insurance provisions as set forth in Sections VIII. 8. (d) and IX.5. supra, the Condominium Documents may be amended in the following manner:

1. Declaration. Amendments to the Declaration shall be proposed and adopted as follows:

(a) Notice. Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the Notice of any meeting at which a proposed amendment is considered.

(b) Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Governors of the Association or by the Apartment Owners meeting as members of the Association, and after being proposed and approved by either of such bodies, must

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be approved by the other. Governors and Apartment Owners not present at the meeting considering such Amendment may express their approval in writing within ten (10) days after such meeting or by proxy delivered to the Secretary prior to such meeting. Such approvals must be by not less than seventy-five percent (75%) of the Governors and not less than seventy-five percent (75%) of the Apartment Owners and their mortgagees.

(c) Recording. A copy of each amendment shall be certified by at least two officers of the Association as having been duly adopted and shall be effective when recorded in the Public Records of Broward County, Florida. Copies of the same shall be sent to each Apartment Owner and his mortgagee in the manner elsewhere provided for the giving of notice but the same shall not constitute a condition precedent to the effectiveness of such amendment.

2. Association. Articles of Incorporation and By-Laws. The Articles of Incorporation and the By-Laws of the Association shall be amended in the manner provided by such documents.

XIV. TERMINATION

The Condominium shall be terminated, if at all, in the following manner:

1. The termination of the Condominium may be effected by the agreement of all Apartment Owners and first mortgagees, which agreement shall be evidenced by an instrument or instruments executed in the manner require d for conveyances of land. The termination shall become effective when such agreement has been recorded in the Public Records of Broward County, Florida.

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2. Destruction. If it is determined in the manner elsewhere provided that the Property shall not be reconstructed after casualty, the Condominium Plan of Ownership will be terminated and the Condominium Documents revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts affecting the termination which certificate shall become effective upon being recorded in the Public Records of Broward County, Florida.

3. Shares of Apartment Owners after Termination. After Termination of the Condominium, the Apartment Owners shall own the Property as tenants in common in undivided shares and the holders of mortgages and liens against the Apartment or Apartments formerly owned by such Apartment Owners shall have mortgages and liens upon the respective undivided shares of the Apartment Owners; such undivided shares of the Apartment Owners shall be as set forth in Exhibit A. All funds held by the Association and insurance proceeds, if any, shall be and continue to be held jointly for the Apartment Owners and their first Mortgagees in proportion to their ownership of the Common Elements. The costs incurred by the Association in connection with a termination shall be a Common Expense.

4. Following termination, the Property may be partitioned and sold upon the application of any Apartment Owner. If the Board of Governors following a termination by not less than a three-fourth vote determines to accept an offer for the sale of the Property, each Apartment Owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such forms as the Board of Governors directs. In such event, any action for partition or other division of the Property shall be held in abeyance pending such sale, and upon the consummation thereof, shall be discontinued by all parties thereto.

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5. The members of the Board of Governors acting collectively

as agent for all Apartment Owners shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

XV. COVENANTS RUNNING WITH THE LAND

All provisions of the Condominium Documents shall be construed to be covenants running with the land and with every part thereof and interest therein including but not limited to every Apartment and the appurtenances thereto; and every Apartment Owner and Claimant of the property or any part thereof or interest therein, and his heirs, executors, administrators, successors, and assigns shall be bound by all of the provisions of the Condominium Documents.

XVI. LIENS

1. Protection of the Property. All liens against an Apartment other than for permitted mortgages, taxes or special assessments will be satisfied or otherwise removed within thirty (30) days from the date the lien attaches. All taxes and special assessments upon an Apartment shall be paid before becoming delinquent.

2. Notice of Lien. An Apartment Owner shall give notice to the Association of every lien upon his Apartment other than for permitted mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

3. Notice of Suit. Apartment Owners shall give notice to the Association of every suit or other proceeding which will or may affect the title to his Apartment or any other part of the Property, such notice to be given within five (5) days after the Apartment Owner receives notice thereof.

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4. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

5. The Association shall maintain a register of all permitted mortgages.

XVII. JUDICIAL SALES

1. No judicial sale of an Apartment nor any interest therein shall be valid unless

(a) Approval of Association. The sale is to a purchaser approved by the Board of Governors of the Association, which approval shall be in recordable form and shall be delivered to the purchaser and recorded in the Public Records of Broward County, Florida, or

(b) Public Sale. The sale is a result of a public sale with open bidding.

2. Unauthorized Transactions. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration or for which authorization has not been obtained pursuant to the terms of this Declaration, shall be void unless subsequently approved by the Board of Governors of the Association.

3. In the event proceedings are instituted to foreclose any mortgage on any Apartment, the Association on behalf of one or more Apartment Owners, shall have the right to redeem from the mortgagee for the amount due thereon, including reasonable attorney's fees and costs or if possible, to purchase such Apartment at the foreclosure sale for the amount set forth to be due by the mortgagee in the foreclosure proceedings, and should the mortgagor fail to redeem from such mortgage, and in case of such redemption by the Association, the Association thus redeeming shall take and have absolute fee simple title to the Property redeemed free from any claim or right of any grantee, his heirs or assigns or such mortgagor and every person claiming by, through or under such mortgagor. Nothing herein contained shall preclude a mortgage institution, banker, savings and loan association, insurance company or any other recognized lending institution from owning a mortgage on any Apartment, and such lending institution shall have an unrestricted absolute right to accept title to the Apart-

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ment in settlement and satisfaction of said mortgage or to foreclose the mortgage in accordance with the terms thereof and the laws of the State of Florida and to bid upon said Apartment at the foreclosure sale, provided said lending institution owning said mortgage shall give to the Association, its successors or assigns, written notice by certified mail of the said default mailed at least thirty (30) days prior to the institution of foreclosure proceedings during which thirty(30) days the Association shall have the right to cure such default by payment to such mortgagee of all sums due upon such default and following such payment, such mortgagee shall be required to waive such default, and if such default is not cured as aforesaid, and should the Association or any member thereof individually or collectively fail to purchase such mortgage, together with any costs incident thereto, from such mortgagee, or fail to redeem such mortgage, then and in that event the mortgagee taking title on such foreclosure sale or taking title in lieu of foreclosure sale, may acquire such Apartment and occupy the same and let, relet, sell and resell the same without complying with the restriction limiting the occupation of said Property to persons approved by the Association. If the Association or any members as aforesaid, redeems such mortgage or cures such default, it shall have a lien against the Apartment for all sums expended in connection therewith, and shall have the same rights to collect such sums as in the case of a past-due assessment.

XVIII. POWER TO LEASE CERTAIN LAND

The Association shall have the power to and has entered into a 99-year lease of certain lands, as described in said lease, a copy of which is attached hereto as Exhibit D. The cost of insurance, taxes, and all other expenses which the Association, as Lessee, has obligated itself to pay under said lease shall be common expenses of the Association, and the Association shall

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provide therefor in the annual budget of the Association. The Association shall assess and collect from each apartment owner and each apartment owner shall be liable for a share of said assessment. The share for which each apartment owner shall be liable shall be equal to the apartment owner's share of the common expenses as hereinbefore set forth. In addition to the foregoing, the Association shall assess and collect from each apartment owner an amount which shall be equal to the amount of rent due the Lessor from the Lessee and attributable to that apartment owners apartment, all as provided under Paragraph III of said lease. The Lessor shall have a lien on each condominium parcel for any unpaid portion of any such assessment made by the Association. Said lien shall also secure reasonable attorney's fees incurred by the Lessor incident to the collection of such unpaid portion or enforcement of such lien. Said lien shall be effective from and after the time of recording in the Public Records of Broward County, Florida, a Claim of Lien stating the description of the condominium parcel, the name of the record owner, the amount due and the date when due;and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Such claims of lien shall include only the unpaid portion of assessments which are due and payable to the Lessor when the Claim of Lien is recorded. Upon full payment the Owner and the Association shall be entitled to a recordable Satisfaction of the Lien. All such liens shall be subordinate to the lien of a mortgage or other lien recorded prior to the time of recording the Claim of Lien, and in the event the holder of a prior mortgage lien shall accept and record a deed in lieu of foreclosure, or obtain a certificate of title as a result of foreclosure, the recording of said deed in lieu of foreclosure or certificate of title shall operate to release a subordinate Claim of Lien. The Lessor's liens may be foreclosed by suit brought in the name of the Lessor in like manner as a foreclosure of a mortgage on real property. In any such foreclosure, the Apartment Owner shall

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be required to pay a reasonable rental for the condominium parcel, and the Lessor shall be entitled to the appointment of a receiver to collect the same. Suit to recover a money judgment for unpaid portion of assessments may be maintained without waiving the lien securing the same. The provisions of this subparagraph shall be construed as a covenant in favor of the Lessor, its successors and assigns, and may be enforced by it against the Association and each condominium parcel owner, their heirs, successors, representatives and assigns.

IXX. VALIDITY

If any term, covenant, provision, phrase or other element of the Condominium Documents is held to be invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify, or impair in any manner whatsoever any other term, provisions, covenant or element of the Condominium Documents.

XX. APARTMENT DEEDS

Any transfer of an Apartment shall include all appurtenances thereto whether or not specifically described.

XXI. CAPTIONS

Captions used in the Condominium Documents are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the Condominium Documents.

XXII. GENDER, SINGULAR, PLURAL

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

XXIII. SEVERABILITY

If any provisions of this Declaration, or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be judicially held in conflict with the laws

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of the State of Florida then the said laws shall be deemed controlling and the validity of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, the Developer has executed this Declaration, this 23 day of March, 1973.

BROWARD A.P.T. CORPORATION

By: Ray E. Murphy Jr.
President

(SEAL)
CORPORATE SEAL
FLORIDA 1972
BROWARD A. P. T. CORP.

Attest:

Ann P. Murphy
Secretary

STATE OF FLORIDA)
:s.s:
COUNTY OF BROWARD)

BEFORE ME, the undersigned authority, personally appeared RAY E. MURPHY, JR. and ANN P. MURPHY, as President and Secretary, respectively of BROWARD A.P.T. CORPORATION, a Florida Corporation, and they acknowledged to and before me that they executed the foregoing instrument as such officers of said corporation, and that they affixed thereto the official seal of said corporation, and that the foregoing instrument is the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Fort Lauderdale, Said County and State, this 23 day of March, 1973.

J. Richard Dill

Notary Public, State of
Florida at Large

NOTARY PUBLIC STATE OF FLORIDA

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Apr. 16, 1973
Bonded by Transamerica Insurance Co.

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CERTIFICATE OF ARCHITECT

MADE

THIS 25th DAY OF January, 1973

I, PAUL M. BRADLEY, of Fort Lauderdale, Florida, certify as follows:

1. I am an architect authorized to practice in the State of Florida.

2. This certificate is made as to VILLA RIO, a condominium located at 2400 Northeast 16th Street, Pompano Beach, Florida, and in compliance with Section 711.08 (1) (e), Florida Statutes, 1971.

3. The following Exhibits to Declaration of Condominium:

A-1 Property survey dated 6/7/71 and revised 10/10/72.
A-2 Master First Floor Plan.
A-3 Master Second Floor Plan.
A-4 Survey of North Elevation.
A-5 Survey of East Elevation.
A-6 Survey of South Elevation.
A-7 Survey of West Elevation.

together with the Declaration, constitute a correct representation of the improvements of said condominium as it now exists and there can be determined therefrom, the identification, location, dimensions, and size of the common elements and of each unit.

STATE OF FLORIDA
PAUL M. BRADLEY
1925
REGISTERED ARCHITECT

Paul M. Bradley Jr.

Certificate of Registration No. 1925
State of Florida

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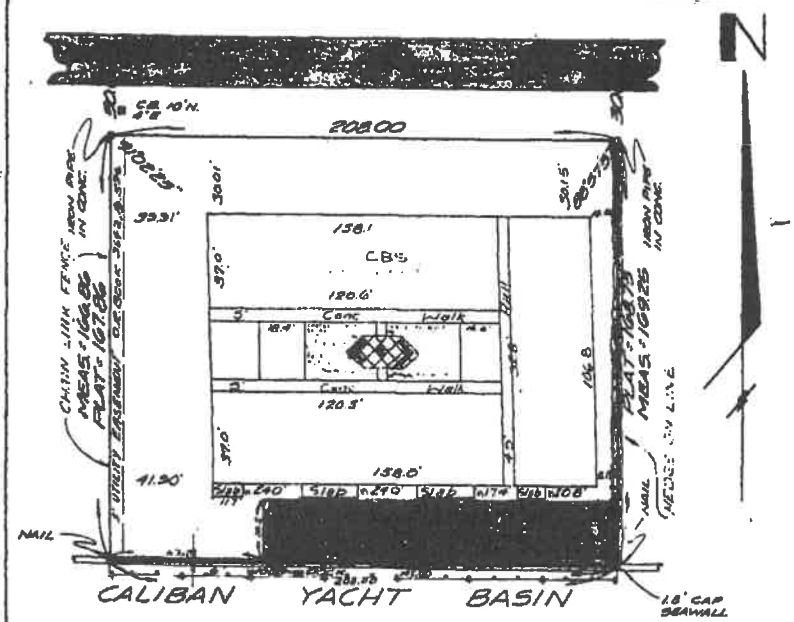
THIS SURVEY CONFORMS TO THE STANDARDS OF THE FLORIDA LAND TITLE ASSOCIATION AND THE FLORIDA SOCIETY OF PROFESSIONAL LAND SURVEYORS.

SKETCH OF SURVEY:

Scale: 1" = 40'



DESCRIPTION:

Lots 32 and 33, CALIBAN, according to the plat thereof, as recorded in Plat Book 27, Page 12, of the Public Records of Broward County, Florida. Said lands situate, lying and being in Broward County, Florida, with the exception of that portion of Lots 32 and 33 of CALIBAN described as Parcel R as follows:

DESCRIPTION: PARCEL "R"

A portion of Lots 32 and 33, CALIBAN, according to the plat thereof, as recorded in Plat Book 27, Page 12, of the Public Records of Broward County, Florida, being more particularly described as follows:

Beginning at the Southeast corner of said Lot 33; thence Northerly, along the East line of said Lot 33, a distance of 25.5 feet; thence Westerly, 25.5 feet North of and parallel to the South line of said Lot 33, a distance of 145.0 feet; thence Southerly, 145.0 feet West of and parallel to the East line of said Lot 33, a distance of 24.5 feet; thence Westerly, 1.0 feet North of and parallel to the South line of said Lot 32, a distance of 63.0 feet to a point on the West line of said Lot 32; thence Southerly, along the West line of said Lot 32, a distance of 1.0 feet, to the Southwest corner of Lot 32; thence Easterly, along the South line of said Lots 32 and 33, a distance of 208.0 feet to the Point of Beginning.

CERTIFICATE:

NOT VALID UNLESS ... AN EMBOSSED SURVEYOR'S SEAL

I hereby CERTIFY that the attached sketch of survey of the above described property is true and correct to the best of my knowledge and belief as surveyed and platted under my direction in JUNE, 1971. There are no above ground encroachments other than those hereon shown.

DATED: JUNE 7, 1971.
REV. 11/4/71
BLDG. LAY-OUT DATED: MAY 16, 1972
Bldg. Loc. Dated: Sept. 13, 1972
REVISED DATE: OCT. 10, 1972

HUGH R. DAVIS
REG. LAND SURVEYOR # 918
STATE OF FLORIDA

DAVIS and CRAVEN, INC. - Civil and Consulting Engineers - Land Surveyors
Land Planners - Land Development Consultants
1699 E. OAKLAND PARK BLVD. - OAKLAND PARK - FT. LAUDERDALE, FLORIDA
PHONES: 566-7114
565-2416
JO. NO. 71-1054
DATE: 6-7-71
F.B. 391/55

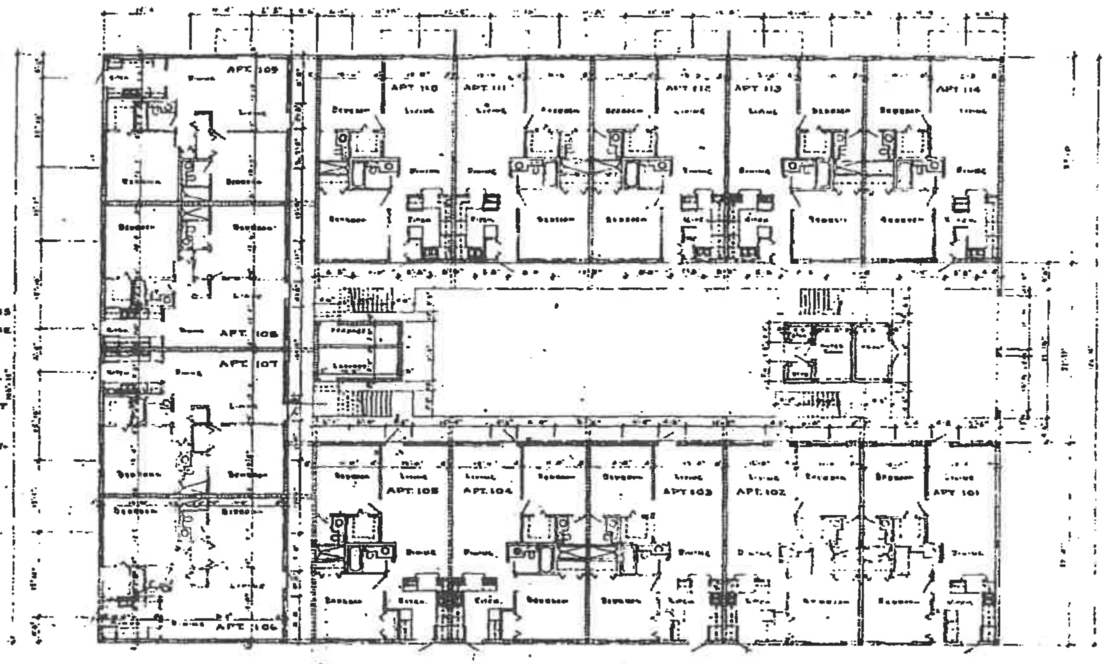
FILE NO.

Exhibit A-1

EXHIBIT A-2

48

EACH NUMBERED APARTMENT IS ENTITLED TO A ONE-TWENTY-EIGHTH (1/28) SHARE IN AND TO THE COMMON ELEMENTS AND IS ENTITLED TO A ONE-TWENTY-EIGHTH (1/28) SHARE OF THE PROCEEDS ON ACCOUNT OF RECOVERY DUE TO DAMAGE TO THE COMMON ELEMENTS OR TERMINATION.
EACH NUMBERED APARTMENT SHALL BE LIABLE FOR A ONE-TWENTY-EIGHTH (1/28) SHARE OF THE COMMON EXPENSES, AND ENTITLED TO A ONE-TWENTY-EIGHTH (1/28) SHARE OF THE COMMON SURPLUS.



REF REC 5254 PAGE 914

MASTER FIRST FLOOR PLAN

AN APARTMENT BUILDING FOR
BROWARD A.P.T. CORP.

CONSULTING ENGINEER

PAUL M. BRADLEY, JR.
FORT LAUDERDALE FLORIDA
TELEPHONE 771-8070
A MEMBER OF THE AMERICAN INSTITUTE OF ARCHITECTS (AIA)

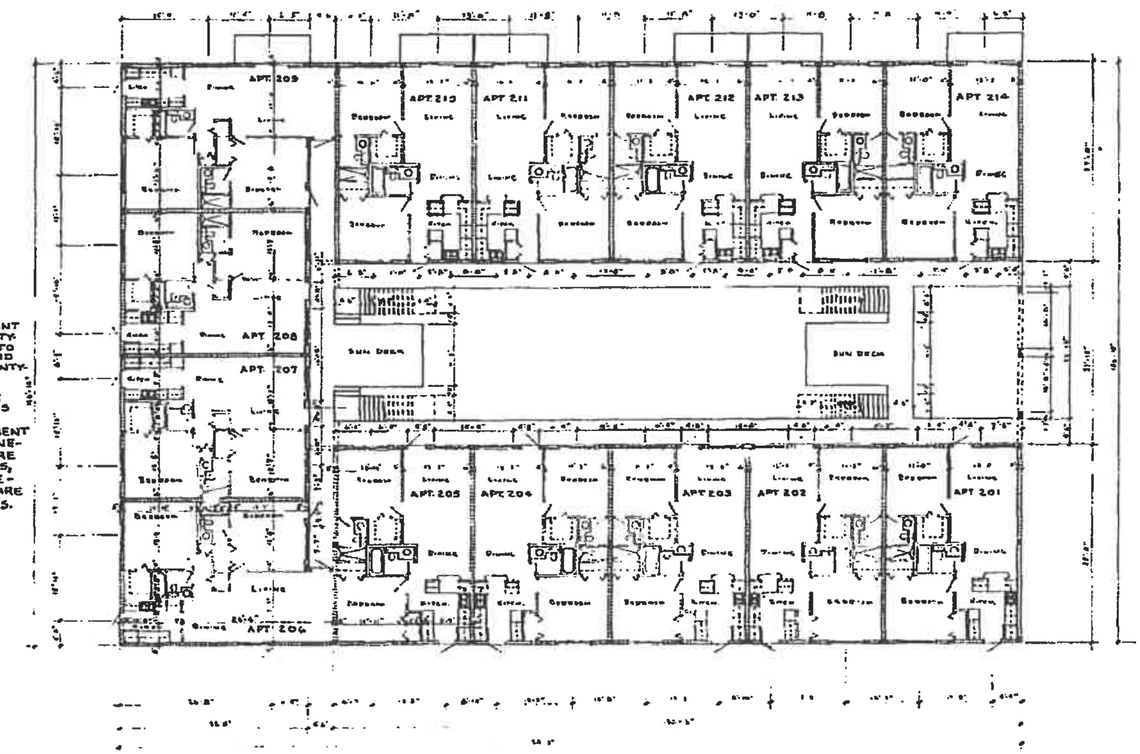
REVISIONS

3-A

EXHIBIT A-3

49

EACH NUMBERED APARTMENT IS ENTITLED TO A ONE-TWENTY-EIGHTH (1/28) SHARE IN AND TO THE COMMON ELEMENTS AND IS ENTITLED TO A ONE-TWENTY-EIGHTH (1/28) SHARE OF THE PROCEEDS ON ACCOUNT OF RECOVERY DUE TO DAMAGE TO THE COMMON ELEMENTS OR TERMINATION.
EACH NUMBERED APARTMENT SHALL BE LIABLE FOR A ONE-TWENTY-EIGHTH (1/28) SHARE OF ALL COMMON EXPENSES, AND ENTITLED TO A ONE-TWENTY-EIGHTH (1/28) SHARE OF THE COMMON SURPLUS.



MASTER SECOND FLOOR PLAN

OFF REC 5254 PAGE 915

AN APARTMENT BUILDING FOR BROWARD A.P.T. CORP.

CONSULTING ENGINEER

PAUL M. BRADLEY, JR.
2004 NORTHEAST 40TH STREET
FORT LAUDERDALE, FLORIDA
TELEPHONE 771-8070
A MEMBER OF THE AMERICAN INSTITUTE OF ARCHITECTS (A.I.A.)

REVISIONS

3-A

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PAUL M. BRADLEY, JR.

A MEMBER OF THE AMERICAN INSTITUTE OF ARCHITECTS (A.I.A.)

2004 NORTHEAST 49TH STREET
FORT LAUDERDALE, FLORIDA
771-8070
TELEPHONE

NORTH ELEVATION

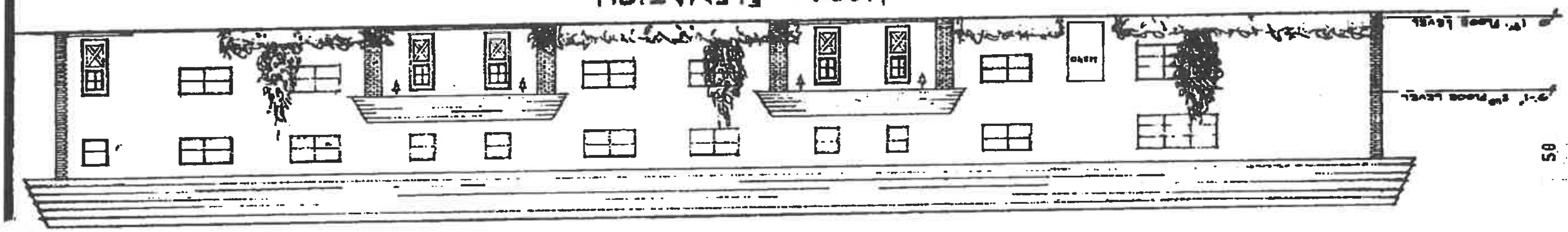

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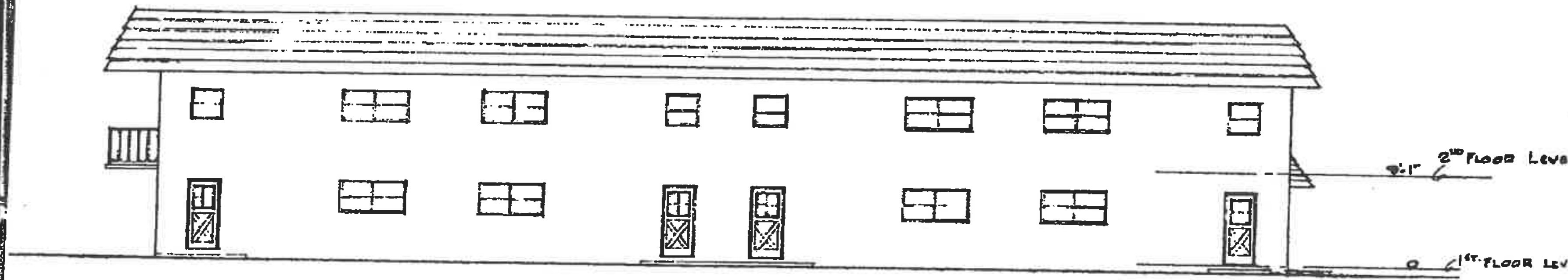
Exhibit A-4



EAST ELEVATION

PAUL M. BRADLEY, JR.

2004 NORTHEAST 49TH STREET
FORT LAUDERDALE. FLORIDA
TELEPHONE 771-8070

A MEMBER OF THE
AMERICAN INSTITUTE
OF ARCHITECTS (A.I.A.)

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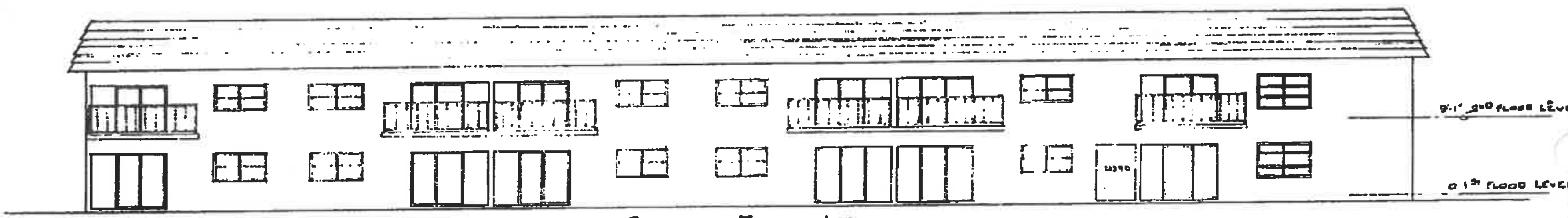

SOUTH ELEVATION

PAUL M. BRADLEY, JR.

2004 NORTHEAST 49TH STREET
FORT LAUDERDALE, FLORIDA
TELEPHONE 771-8070

A MEMBER OF THE
AMERICAN INSTITUTE
OF ARCHITECTS (A.I.A.)

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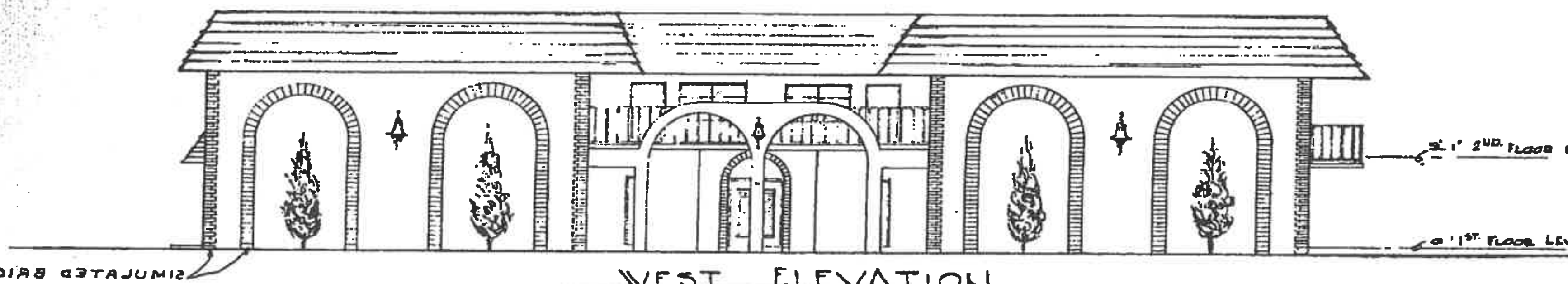
Exhibit A-6



WEST ELEVATION

PAUL M. BRADLEY, JR.
2004 NORTHEAST 49TH STREET
FORT LAUDERDALE, FLORIDA
TELEPHONE 771-8070
A MEMBER OF THE AMERICAN INSTITUTE OF ARCHITECTS (A.I.A.)

Exhibit A-7

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STATE OF FLORIDA

DEPARTMENT OF STATE

I, RICHARD (DICK) STONE, Secretary of State of the State of Florida, do hereby certify that the following is a true and correct copy of

CERTIFICATE OF INCORPORATION

OF

VILLA RIO CONDOMINIUM APARTMENTS, INC.

a corporation not for profit organized and existing under the Laws of the State of Florida, filed on the 30th day of January A.D., 1973 as shown by the records of this office.

GIVEN under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 31st day of January A.D., 1973.

Richard (Dick) Stone

SECRETARY OF STATE

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corp-94
3-29-72

FILED
JAN 30 12 58 PM 1973
DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION

OF

VILLA RIO CONDOMINIUM APARTMENTS, INC.

The undersigned hereby associate themselves together for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, 1971, and certify as follows:

ARTICLE I

Name: The name of the corporation shall be VILLA RIO CONDOMINIUM APARTMENTS, INC. and the principal office of this corporation shall be 2400 Northeast Sixteenth Street, Pompano Beach, Florida. For convenience the corporation shall be referred to as the Association.

ARTICLE II

Purpose: The purpose for which the Association is organized is as follows:

1. A condominium known as VILLA RIO is being constructed upon the following lands in Broward County, Florida:

> Lots 32 and 33 of CALIBAN, according to the Plat thereof, recorded in Plat Book 27, at Page 12, of the Public Records of Broward County, Florida.

With the exception of that portion of Lots 32 and 33 of CALIBAN, described as follows:

> Beginning at the Southeast corner of said Lot 33; thence Northerly, along the East line of said Lot 33, a distance of 25.5 feet; thence Westerly, 25.5 feet North of and parallel to the South line of said Lot 33, a distance of 145.0 feet; thence Southerly, 145.0 feet West of and parallel to the East line of said Lot 33, a distance of 24.5 feet; thence Westerly 1.0 feet North of and parallel to the South line of said Lot 32, a distance of 63.0 feet to a point on the West line of said Lot 32; thence Southerly, along the West line of said Lot 32, a distance of 1.0 feet, to the Southwest corner of Lot 32; thence Easterly, along the South line of said Lots 32 and 33, a distance of 208.0 feet to the Point of Beginning.

2. The documents creating the condominium provide for the ownership, operation, management, maintenance and use of 28 apartments within the Property, together with certain other improvements. This Association is organized for the purpose of providing a convenient means of administering the condominium by the owners thereof.

3. The Association shall make no distribution of income to its members, Governors or officers.

Exhibit "B"

ARTICLE III

Powers:

1. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles.

2. The Association shall have all of the powers reasonably necessary to implement the purpose of the Association, including but not limited to the following:

(a) To make and collect assessments against members to defray the costs of the condominium.

(b) To use the proceeds of assessments in the exercise of its powers and duties.

(c) The maintenance, repair, replacement and operation of the condominium property.

(d) The reconstruction of improvements after casualty and the further improvements to the Property.

(e) To make and amend regulations respecting the use of the property in the condominium.

(f) To approve or disapprove proposed purchasers, lessees and mortgagees of apartments.

(g) To enforce by legal means the provisions of the condominium documents, these Articles, the By-Laws of the Association, and the regulations for the use of the property in the condominium.

(h) To contract for the management of the condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the condominium documents to have approval of the Board of Governors or the membership of the Association.

3. All funds and the titles to all properties acquired by the Association and the proceeds thereof shall be held only for the benefit of the members in accordance with the provisions of the Condominium Documents.

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4. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium which governs the use of the Property.

ARTICLE IV.

Members: The Qualifications of members, the manner of their admission and voting by members shall be as follows:

1. All owners of apartments in the condominium shall be members of the Association, and no other persons or entities shall be entitled to membership. Each apartment shall be entitled to one vote.

2. Membership in the Association shall be established by the recording in the Public Records of Broward County, Florida, of a deed or other instrument establishing the record title to an apartment in the condominium in an owner and the delivery to the Association of a certified copy of such instrument, the new owner designated by such instrument, thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

3. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the apartment in the condominium.

ARTICLE V

Governors:

1. The affairs of the Association will be managed by a Board of not less than three nor more than nine Governors as shall be determined by the By-Laws, and in the absence of such determination shall consist of three Governors.

2. Governors of the Association shall be appointed or elected at the Annual Meeting of the members in the manner

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determined by the By-Laws except that for so long as Broward A.P.T Corporation, a Florida corporation, or its successors, is the owner of five or more apartments, it shall have the right to elect a majority of the Governors, who need not be residents of the condominium. At a time when the Developer is no longer the owner of five (5) apartments, those Governors of said Developer shall resign so as to comply with this Paragraph and their successors shall be appointed by the remaining Governors so as to complete the unexpired terms of those resigning. Governors may be removed and vacancies on the Board of Governors shall be filled in the manner provided by the By-Laws. In no event shall the Developer select a majority of the Board of Directors for a period of longer than two years from the date of Certificate of Occupancy.

3. The names and addresses of the members of the first Board of Governors, who shall hold office until their successors are elected and have qualified or until removed are as follows:

NAME	ADDRESS
RAY E. MURPHY, JR.	Suite 600, Courthouse Square Building Fort Lauderdale, Florida
J. RICHARD SMITH	Suite 600, Courthouse Square Building Fort Lauderdale, Florida
SARAH A. SMITH	Suite 600, Courthouse Square Building Fort Lauderdale, Florida

ARTICLE VI

Officers: The affairs of the Association shall be administered by officers elected by the Board of Governors at its first meeting following the Annual Meeting of the members of the Association, which officers shall serve at the pleasure of the Board of Governors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Governors are as follows:

RAY E. MURPHY, JR. President	Suite 600 - Courthouse Square Bldg.
J. RICHARD SMITH, Vice President/ Secretary	Suite 600 - Courthouse Square Bldg.
SARAH A. SMITH, Treasurer	Suite 600 - Courthouse Square Bldg.

FORT LAUDERDALE, FLORIDA

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ARTICLE VII

Indemnification: Every Governor and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a governor or officer of the Association or any settlement thereof, whether or not he is a governor or officer at the time such expenses are incurred, except in such cases wherein the governor or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Governors has approved such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such governor or officer may be entitled.

ARTICLE VIII

By-Laws: The By-Laws of the Association shall be adopted by the Board of Governors, and may be altered, amended or rescinded in the manner provided by the By-Laws.

ARTICLE IX

Amendments: Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

2. A resolution approving a proposed amendment may be proposed by either the Board of Governors or by the membership of the Association, and after being proposed and approved by one of such bodies, it must be approved by the other to be effective. Such approvals must be by not less than seventy-five (75%) percent of all the Governors and by not less than seventy-five (75%) percent

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of all of the members of the Association. Governors and members not present at the meeting considering the amendment may express their approval in writing within ten (10) days after such meeting and said amendment shall be effective when recorded in the Public Records of Broward County, Florida.

ARTICLE X

Term: The term of the Association shall be the life of the condominium, unless the Association is terminated sooner in accordance with the Declaration. The Association shall be terminated by the termination of the condominium in accordance with the provisions of the Condominium Documents.

ARTICLE XI

Subscribers: The names and residences of the subscribers of these Articles of Incorporation are as follows:

NAME	ADDRESS
J. RICHARD SMITH	Suite 600 - Courthouse Square Building Fort Lauderdale, Florida
MARION V. JONES	Suite 600 - Courthouse Square Building Fort Lauderdale, Florida
JOY ADAMS	Suite 600 - Courthouse Square Building Fort Lauderdale, Florida

IN WITNESS WHEREOF, the subscribers have hereto affixed their signatures this 26 day of January, 1973.

J. Richard Smith
J. RICHARD SMITH

Marion V. Jones
MARION V. JONES

Joy Adams
JOY ADAMS

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared

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J. RICHARD SMITH, MARION V. JONES and JOY ADAMS, who, after being sworn by me, on oath, acknowledged that they executed the foregoing Articles of Incorporation for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me at Fort Lauderdale, said County and State, this 26th day of January 1973.

Vicki D. Wood
NOTARY PUBLIC

Notary Public, State of Florida at Large
My Commission Expires Oct. 19, 1974
Bonded by Transamerica Insurance Co.

VICKI D. WOOD NOTARY PUBLIC

OFF REC 5254 PAGE 927

BY-LAWS

OF

VILLA RIO CONDOMINIUM APARTMENTS, INC.

A condominium corporation not for profit under the laws of the State of Florida.

I.

IDENTITY

These are the By-Laws of Villa Rio Condominium Apartments, Inc., a condominium corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of the State of Florida on January 30th, 1973 , and subject to the charter granted by the Secretary of State and the Declaration affecting the land and all improvements thereon known as Villa Rio. The Association has been organized for the purpose of administering a condominium upon the following lands in Broward County, Florida.

> Lots 32 and 33 of CALIBAN, according to the Plat thereof, recorded in Plat Book 27, at Page 12, of the Public Records of Broward County, Florida.

With the exception of that portion of Lots 32 and 33 of CALIBAN, described as follows:

> Beginning at the Southeast corner of said Lot 33; thence Northerly, along the East line of said Lot 33, a distance of 25.5 feet; thence Westerly, 25.5 feet North of and parallel to the South line of said Lot 33, a distance of 145.0 feet; thence Southerly, 145.0 feet West of and parallel to the East line of said Lot 33, a distance of 24.5 feet; thence Westerly 1.0 feet North of and parallel to the South line of said Lot 32, a distance of 63.0 feet to a point on the West line of said Lot 32; thence Southerly, along the West line of said Lot 32, a distance of 1.0 feet, to the Southwest corner of Lot 32; thence Easterly, along the South line of said Lots 32 and 33, a distance of 208.0 feet to the Point of Beginning.

1. The office of the Association shall be at Suite 600 - 200 Southeast Sixth Street, Courthouse Square Building, Fort Lauderdale, Florida 33301.

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

3. The seal of the corporation shall bear the name of the corporation, the word "Florida," and the words "Corporation Not for Profit," and the year of incorporation.

II.

MEMBERS

1. The annual members' meeting shall be held at 2400 Northeast Sixteenth Street, Pompano Beach, Florida, on the first Monday in February of each year, for the purpose of electing governors and of transacting any other business authorized to be transacted by the members, provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding day.

2. Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Governors and must be called by such officers upon receipt of a written request from one-third of the entire membership.

3. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary, unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after the meeting.

4. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof within ten (10) days after such meeting shall constitute a presence of such member for the purpose of determining a quorum.

5. Each apartment shall be entitled to one (1) vote. The vote of the owners of an apartment owned by more than one person or by a corporation or other entity shall be cast by the

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person named in a certificate signed by all of the owners of the apartment and filed with the Secretary of the Association. Such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirements for a quorum nor for any other purpose.

6. Proxies. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

7. Approval or disapproval of an apartment owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

8. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

9. The order of business at annual members' meetings and, as far as practicable at all other members' meetings shall be:

(a) Election of Chairman of the meeting.
(b) Calling of the roll and certifying of proxies.
(c) Proof of notice of meeting or waiver of notice.
(d) Reading and disposal of any unapproved minutes.
(e) Report of Officers.
(f) Reports of Committees.
(g) Election of Governors.
(h) Unfinished Business.
(i) New Business.
(j) Adjournment.

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III

GOVERNORS

1. The Board of Governors shall consist of not less than three persons nor more than nine as is determined from time to time by the members. Each member of the Board of Governors shall be either the owner of an apartment, have an interest therein or in the event of a corporate ownership, any officer of designated agent thereof.

2. Election of Governors shall be conducted in the following manner:

(a) Members of the Board of Governors shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association.

(b) Vacancies in the Board of Governors may be filled until the date of the next annual meeting by the remaining Governors.

(c) For so long as the Developer owns five or more Apartments, a majority of the Board of Governors of the Association shall be elected by the Developer, and such members as may be elected by the Developer need not be residents in the Building. In no event shall the Developer select a majority of the Board of Directors for a period of longer than two years from the date of Certificate of Occupancy.

3. The term of each Governor's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

4. The organizational meeting of a newly elected Board of Governors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Governors at the meeting at which they were elected, and no further notice

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of the organizational meetings shall be necessary providing a quorum shall be present.

5. Regular meetings of the Board of Governors may be held at such time and place as shall be determined from time to time by a majority of the Governors. Notice of regular meetings shall be given to each Governor, personally or by mail, telephone or telegraph at least three days prior to the date named for such meeting unless such notice is waived.

6. Special meetings of the Governors may be called by the President and must be called by the Secretary at the written request of one third of the votes of the Board. Not less than three days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

7. Waiver of Notice. Any Governor may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

8. A quorum at Governors' meetings shall consist of the Governors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Governors except as specifically otherwise provided in the Declaration of Condominium. If at any meeting of the Board of Governors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of Governor in the action of a meeting by signing a concurring in the minutes thereof within

ten (10) days after such meeting shall constitute the presence of such Governor for the purpose of determining a quorum.

9. The presiding officer of Governors' meetings shall be the Chairman of the Board. If such has not been elected, then the President shall preside. In the absence of the presiding officer, the Governors present shall designate one of their number to preside.

10. Governors' fees, if any, shall be determined by the members.

11. A governor may be removed for cause or for the failure to be either the owner of an Apartment, have an interest therein or in the event of corporate ownership to be an officer or designated agent thereof. The removal of a Governor pursuant to this paragraph shall be by the majority vote of the remaining Board members, and said vote shall be taken at a special meeting called for that purpose.

IV.

POWERS AND DUTIES OF THE BOARD OF GOVERNORS

All of the powers and duties of the Association shall be exercised by the Board of Governors including those existing under the common law and statutes, the Articles of Incorporation of the Association and the documents establishing the condominium. Such powers and duties of the Governors shall be exercised in accordance with the provisions of the Declaration of Condominium which governs the use of the land, and shall include but shall not be limited to the following:

1. To make and collect assessments against members to defray the costs of the condominium.

2. To use the proceeds of assessments in the exercise of its powers and duties.

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3. The maintenance, repair, replacement and operation of the condominium property and of the Recreational Lease property.

4. The reconstruction or improvements after casualty and the further improvement of the property.

5. To make and amend regulations respecting the use of the property in the condominium.

6. To approve or disapprove proposed occupants, purchasers, lessees and mortgagees of apartments in the manner provided by the condominium documents.

7. To enforce by legal means the provisions of the condominium documents, the Articles of Incorporation, the By-Laws of the Association, and the regulations for the use of the property in the condominium.

8. To contract for management of the condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the condominium documents to have approval of the Board of Governors or the membership of the Association.

9. To pay taxes and assessments which are liens against any part of the condominium other than individual apartments and the appurtenances thereto, and to assess the same against the apartment owner subject to such liens.

10. To carry insurance for the protection of apartment owners and the Association against casualty and liabilities.

11. To pay the cost of all power, water, sewer and other utility services rendered to the condominium and not billed to owners of individual apartments.

12. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

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V.

OFFICERS

1. The executive officers of the corporation shall be a President, who shall be a Governor, a Vice President, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Governors and who may be peremptorily removed by a vote of the Governors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary, or an Assistant Secretary. The Board of Governors shall from time to time elect such other officers and designate their powers and duties as the Board determines necessary to manage the affairs of the Association.

2. The President shall be the chief executive of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an Association, including but not limited to the power of appointing committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

3. The Vice President shall in the absence of or disability of the President exercise the powers and duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Governors.

4. The Secretary shall keep the minutes of the proceedings of the Governors and the members. He shall attend to the giving and serving of all notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed; he shall keep the records of the Association except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association as may be required by the Governors or the President. The Assistant Secretary shall perform the duties of the Secretary

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when the Secretary is absent.

5. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members, the books of the Association in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

6. The Compensation of all officers and employees of the Association shall be fixed by the Governors. This provision shall not preclude the Board of Governors from employing a Governor as an employee of the Association nor preclude the contracting with a Governor for the management of the condominium.

VI.

FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

1. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each apartment. Such an account shall designate the name and address of the owners or owner, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due upon assessments.

2. Budget.

(a) The Board of Governors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, and the income of the Association including but not limited to the following items:

(1) Common Expense Budget

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(a) Maintenance and operation of Common Elements; Landscaping, walkways, swimming pool and dock.

(b) Utilities

(c) Liability Insurance

(d) Casualty Insurance

(e) Administration

(2) Proposed assessments against each member.

(b) Copies of the proposed budget and proposed assessments shall be transmitted to each member on or before January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amendment shall be furnished each member concerned.

3. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Governors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Governors.

4. An audit of the accounts of the Association shall be made annually and a copy of the report shall be furnished to each member not later than April 1 of the year following the year for which the report is made.

5. Fidelity Bonds may be required by the Board of Governors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Governors, but shall be at least the amount of the total annual assessments

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against members for common expenses. The premiums on such bonds shall be paid by the Association.

VII.

PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and By-Laws of the corporation or with the Statutes of the State of Florida.

VIII.

AMENDMENTS

Amendments to the By-Laws shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

2. A resolution adopting a proposed amendment must receive approval of not less than two-thirds of the votes of the entire membership of the Board of Governors and not less than seventy-five (75%) percent of the votes of the entire membership of the Association. Governors and members not present at the meetings considering the amendment may express their approval in writing within ten (10) days after such meeting.

3. Initiation. An amendment may be proposed by either the Board of Governors or by the membership of the Association, and after being proposed and approved by one of such bodies, to be effective, it must be approved by the other.

4. Effective Date. An Amendment when adopted shall become effective only after being recorded in the Public Records of Broward County, Florida.

5. These By-Laws shall be amended, if necessary so as

to make the same consistent with the provisions of the Declaration of Condominium.

The foregoing were adopted as the By-Laws of Villa Rio Condominium Apartments, Inc., a condominium corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Governors on the 20 day of February, 1973.

SECRETARY

APPROVED:

PRESIDENT

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RECREATION LEASE

THIS LEASE, made and entered into at Pompano Beach, Broward County, Florida, this 20 day of February, 1973, by and between BROWARD A.P.T. CORPORATION, hereinafter referred to as "Lessor" and VILLA RIO CONDOMINIUM APARTMENTS, INC., an incorporated association existing under and by virtue of the Condominium Act of the State of Florida, Chapter 711, 1971, and established in accordance with the Declaration of Condominium, recorded in O.R. Book _________, at Page ___________, Broward County Public Records, hereinafter referred to as "Lessee."

W I T N E S S E T H:

I.

DEMISE

Lessor for and in consideration of the payment of rent and the prompt performance continuously of the covenants and agreements by Lessee, as hereinafter set forth, does hereby demise, let and lease the following described property and appurtenances, situate, lying and being in Broward County, Florida, to wit:

> That portion of Lots 32 and 33 of CALIBAN, according to the Plat thereof recorded in Plat Book 27, at Page 12, of the Public Records of Broward County, Florida, being more particularly described as follows:
>
> Beginning at the Southeast corner of said Lot 33; thence Northerly, along the East line of said Lot 33, a distance of 25.5 feet; thence Westerly 25.5 feet North of and parallel to the South line of said Lot 33, a distance of 145.0 feet; thence Southerly 145.0 feet West of and parallel to the East line of said Lot 33, a distance of 24.5 feet; thence Westerly, 1.0 feet North of and Parallel to the South line of said Lot 32, a distance of 63.0 feet to a point on the West line of said Lot 32; thence Southerly, along the West line of said Lot 32, a distance of 1.0 feet, to the Southwest corner of Lot 32; thence Easterly, along the South line of said Lots 32 and 33, a distance of 208.0 feet to the Point of Beginning.

Exhibit "D"

Said lands situate, lying and being in the City of Pompano Beach, Broward County.

II.

TERM

The term and duration of this lease shall be for a period of Ninety-Nine (99) years, commencing at the date of execution of this lease and continuing to and including the 19 day of February, 2072, unless this lease be sooner terminated in accordance with its terms.

III.

RENT

The Lessee hereunder, being a non-profit corporation existing under the laws of the State of Florida, was organized for the purpose of managing and governing VILLA RIO, a condominium which presently consists of twenty-eight (28) units. The amount of annual rent reserved unto Lessor hereunder to be paid by Lessee shall therefore be determined by multiplying the number of units as may have been submitted to condominium status from time to time in VILLA RIO, a condominium, by the amount of rent due for each unit in said Condominium as hereinafter described.

The total required annual rental, subject to adjustment as hereinafter provided, shall be computed in the following manner:

For each apartment

$40 per month

On the 1st day of January, 1978, and on the 1st day of January of each fifth year thereafter, the annual rental for each unit shall be adjusted so that it shall be such sum of money as is equivalent to the purchasing power of the rent herein required for the month of January, 1973.

The above rental shall be increased or decreased in the same percentage as the Consumer Price Index for the month last published prior to the commencement of the applicable five-year

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renewal term bears to the Index figure for the month of December, 1972. The index numbers to be employed are the index numbers of retail commodity prices designated "CONSUMER PRICE INDEX - U.S. CITY AVERAGE, ALL ITEMS" (1967 = 100) prepared by the Bureau of Labor Statistics of the U. S. Department of Labor. Any publication by either the U.S. Department of Labor or the U. S. Department of Commerce in which such index numbers are published shall be admissible in evidence in any legal or judicial proceeding involving this lease without further proof of authenticity. In the event the U. S. Department of Labor ceases to prepare and to publish such retail commodity index numbers, the adjustment of rent thereafter shall be according to the most closely comparable commodity index as determined by agreement of Lessee and Lessor; and in the absence of agreement, then as determined by arbitration in accordance with the existing rules of the American Arbitration Association in which three arbitrators shall hear the cause. In the event of any delay in establishing an adjustment of rental, the Lessee shall continue paying the rental under the last preceding rental adjustment until such time as the required adjustment is determined, at which time an accounting will be made retroactive to the beginning of the adjustment period in question. Provided, however, that said rent attributed to each apartment shall never be reduced below the following amounts:

For each apartment

$40 per month

Lessee shall pay to Lessor the annual rental in four (4) equal quarterly installments on the first day of January, the first day of April, the first day of July and the first day of October of each year. Each of said installments shall be payable in advance.

The rental due Lessor from date hereof to the 31st day

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of March, 19 73, shall be paid in advance and the term for purposes of computing said rental shall commence on the first day of the month following the recording of this Lease.

IV.

LEASE OPTION TO PURCHASE PROVISION

Providing that Lessee is in no way in default, breach or delinquent in any of the terms and covenants of this Lease, then Lessee hereunder shall have the option to purchase the land hereinabove described as the subject of this Lease. Said option to purchase is, therefore, specifically given by the Lessor and accepted by the Lessee as part of the consideration exchanged by and between the parties as one of the inducements for entering into this Lease agreement, such option being more specifically set forth as follows:

A) This option may be exercised by the Lessee at any time after the expiration of not less than five (5) years of the term of this Lease at the price of twelve (12) times the annual total rental of the year preceding the exercise of such option.

B) Lessee must notify Lessor by registered mail, mailed within the aforesaid option-to-exercise period, of Lessee's intention to exercise said option, and must, with said written notice, include a certified check or its equivalent in an amount not less than ten per cent (10%) of the purchase price as set out above, and Lessee shall within thirty (30) days thereafter, time being of the essence, pay Lessor the balance of the purchase price by certified check, at which time Lessor shall convey said property to Lessee by general Warranty Deed, and only then at such time shall this lease be terminated, otherwise to remain in full force and effect. Lessor shall be obligated to convey good and marketable title at the time of closing and shall execute a general Warranty Deed to Lessee or his designee or assignee at the time of closing.

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V.

TAXES

Lessee agrees that as part of the consideration of this Lease, it will pay all real estate taxes and assessments levied upon the land and improvements of the above-described premises during the term of this Lease, together with any tax or assessment levied, assessed or imposed at any time by any governmental authority in connection with the receipt of income or rents from said land and/or building, and in the event that Lessee shall fail to pay and cause discharge of the same when due, the Lessors may pay the same and such amounts paid, includning any penalties or interest shall be added to the rental due hereunder and payable by Lessee upon the next rental due.

In case the Lessee shall fail, refuse or neglect to pay such taxes, then the Lessor may at its option pay the same and the amount so paid including reasonable attorney's fees and expenses which might have been reasonably incurred because of or in connection with such payments, together with interest at the rate of ten (10%) percent shall be repaid by Lessee to the Lessor upon the demand of the Lessor; and the payment whereof may be collected or enforced by the Lessor in the same manner as though said amount were an installment of rent specifically required by the terms of this Lease, but the election of the Lessor to pay such taxes shall not waive the default thus committed by the Lessee.

VI.

INSURANCE

Lessee shall, during the entire term hereof, cause to be kept in full force and effect, a policy of public liability insurance covering the leased premises and the recreational activities of the Lessee in which both Lessors and Lessees shall be named as parties covered thereby, and in which the limits of liability shall not be less than $1,000,000.00 for one person and

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$3,000,000.00 for more than one person in any single incident. Lessee shall cause to be furnished to Lessor a certificate of insurance, or other acceptable evidence that such insurance is in force, and evidence that the premiums have been paid by Lessee within ten (10) days prior to the due date of same. Lessee agrees to cause to be placed and maintained, for the benefit of the Lessor, fire, casualty and comprehensive insurance covering the leased premises in amounts to assure replacement of the buildings and other improvements on the leased premises at a construction cost of not less than full insurable value.

In case the Lessee shall fail, refuse or neglect to pay for such insurance, then the Lessor may at its option pay the same and the amount so paid including reasonable attorney's fees and expenses which might have been reasonably incurred because of or in connection with such payments, together with interest at the rate of ten (10%) per cent shall be repaid by the Lessee to the Lessor upon demand of the Lessor; and the payment whereof may be collected or enforced by the Lessor in the same manner as though said amount were an installment of rent specifically required by the terms of this Lease, but the election of the Lessor to pay such insurance shall not waive the default thus committed by the Lessee.

VII.

MAINTENANCE

Lessee acknowledges that Lessor has no obligation to provide utility services or to maintain the premises, improvements and chattels thereon. Lessee shall maintain the premises, improvements and chattels in good state of repair and in first class condition any and all buildings constructed and all furnishings brought or placed upon the demised premises by the Lessor; nor will the Lessee suffer to permit any strip, waste or neglect of any building, improvement or personal property to be committed; and the Lessee will repair, replace and renovate the same real and personal property as often as it may be necessary in order to keep the building or buildings, improvements and the personal property which is subject to the Lessor's lien in first class repair and condition.

In case the Lessee shall fail, refuse or neglect to so maintain, then the Lessor may at its option pay the same and the amount so paid, including reasonable attorney's fees and expenses which might have been reasonably incurred because of or in connection with such payments, together with interest at the rate of ten (10%) per cent shall be repaid by the Lessee to the Lessor upon the demand of the Lessor; and the payment whereof may be collected or enforced by the Lessor in the same manner as though said amount were an installment of rent specifically required by the terms of this lease, but the election of the Lessor to so maintain shall not waive the default thus committed by the Lessee.

VIII.

USE

During the continuance of this Lease the property and improvements thereunder may be used and occupied only for recreational purposes by members of the Lessee, their families and guests. Lessee shall not permit any acts or allow any practices which may injure the improvements or may prevent the quiet and undisturbed use of the property and improvements.

IX.

LEASE SURVIVES DESTRUCTION OF IMPROVEMENTS AND/OR TERMINATION OF CONDOMINIUM

The parties agree and covenant that damage to or destruction of any building or improvement on the demised premises at any time, by fire or other casualty whatsoever, and/or the termination of the condominium established by the recording of the Declaration of Condominium, recorded in O. R. Book 5254, at Page 867, of the Public Records of Broward County, shall not work a termination of this Lease, or authorize the Lessee to quit or surrender possession of said premises and shall not release the Lessee in any way for its liability to pay rent or from any of the covenants or conditions of this Lease.

X.

DEMOLITION CLAUSE

Although it is the Lessee's duty under the terms hereof to keep and maintain any buildings and improvements on the demised premises in good repair, this shall not be construed as empowering the Lessee to tear down and destroy any building or buildings hereafter on the demised premises or any substantial part thereof or to cause any item of major repair and reconstruction to be made, unless and until the Lessee causes plans for the new building or the new construction to be prepared in full accordance with all applicable laws, building codes, zoning ordinances, statutes and regulations, and delivers the plans to the Lessor and obtains Lessor's written approval at least thirty (30) days before the work proposed to be done pursuant thereto is actually commenced.

All buildings and other improvements erected or placed on the premises, whether constructed by Lessor or Lessee, shall remain thereon and shall be and become the property of the Lessors at the expiration or termination of this Lease.

XI.

CONDEMNATION CLAUSE

In the event that the land and the buildings and the improvements thereon covered by this Lease are taken, in whole or in part, by condemnation proceedings or eminent domain, or in the event that Lessor and Lessee shall convey, all or part of said premises in avoidance or settlement of such condemnation proceedings, the said Lessor and Lessee herein agree as follows:

(1) If all of the demised premises shall be so taken, or if any part of the demised premises is so taken, and the part not so taken is insufficient for the reasonable operation of the Lessee's business, then, in such event, this Lease and the term hereby granted shall cease and expire on the

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date when possession shall be taken thereunder for the premises or any part thereof, and all rents, taxes, and other charges shall be prorated and paid to such date, the award of compensation received for such taking shall be awarded to the Lessor.

If only part of the demised premises are so taken, and the part not so taken shall be sufficient for the reasonable operation of the Lessee's business, this Lease shall remain unaffected except:

(1) The Lessee shall be entitled to a prorate reduction in the fixed rent to be paid hereunder, based upon the proportion which the rental value of the area so taken bears to the rental value of the area originally leased hereunder.

(2) The Lessor shall promptly, after such taking, and at the Lessor's own cost and expense, restore the part of the buildings or improvements so taken, to as near its former condition as the circumstances will permit.

(3) If, in the case of any such taking, in which the part not so taken shall be sufficient for reasonable operation of Lessee's business, the Lessor shall be entitled to the value of the demised premises taken.

XII.

LESSOR'S INTEREST NOT SUBJECT TO MECHANIC'S LIEN

All persons to whom these presents may come are put upon notice of the fact that the Lessee shall never, under any circumstances, have the power to subject the interest of the Lessor in the premises to any mechanics' or materialmen's liens or liens of any kind except as otherwise provided.

XIII.

INDEMNIFICATION

Lessee covenants and agrees with Lessor that during the entire term of this Lease the Lessee will indemnify and save harmless the Lessor against any and all claims, debts, demands or obligations which may be made against the Lessor or against

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the Lessor's title in the premises, arising by reason of or in connection with the making of this Lease and the ownership by the Lessee of the interest created in the Lessee hereby.

XIV.

COST OF LITIGATION

Lessee covenants and agrees that in case the Lessor shall be made a party to any litigation either by or against the Lessee, with reference to leasehold estate created hereby, then the Lessee shall and will save the Lessor harmless for costs, expenses, judgments and reasonable attorney's fees incurred or imposed upon the Lessor in connection with such litigation.

XV.

DEFAULT CLAUSE

A) It is further covenanted and agreed by and between the parties hereto that, in case at any time default shall be made by the Lessee in the payment of any of the rent herein provided for upon the same becoming due and payable, or in the case of default in relation to liens, as hereinabove provided for, or in case of the sale or forfeiture of said demised premises or any part thereof, during the said demised term for non-payment of any tax or assessment, or in case the Lessee shall fail to keep insured any building or improvements which may at any time hereafter be upon the said premises, as herein provided for, or if the Lessee shall fail to perform any of the covenants of this Lease by it to be kept and performed, then, in any of such events, it shall and may be lawful for the Lessor, at its election, to declare said demised term ended and to re-enter forthwith upon said premises and the building and improvements situated thereon or any part thereof, either with or without process of law, the said Lessee hereby waiving any demand for possession of said premises and any and all buildings and improvements then situated thereon.

Or the Lessor may have such other remedies as the law and this instrument afford; and the Lessee covenants and agrees that

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upon the termination of said demised term, at such election of the said Lessor, as hereinabove provided, or in any other way, the Lessee will surrender and deliver up the premises and property (real and personal) peaceably to the Lessor, its agents or attorneys, immediately upon the termination of the said demised term.

B) Nothing herein contained shall be construed as authorizing the Lessor to declare this Lease in default, however, where the default consists in the non-payment of rent or taxes, until such non-payment shall, in violation of the terms of this Lease, have continued for twenty(20) days after written notice of such default shall have been given by the Lessor to the Lessee, and where the alleged default consists of some violation other than the foregoing, the Lessor may not declare this Lease in default until such violation shall have continued for thirty (30) days after the Lessor shall have given the Lessee written notice of such violation and Lessee shall not have undertaken during said thirty-day-notice period to cure said violation by vigorous and affirmative action; provided, however, that nothing herein contained shall be construed as precluding the Lessor from having such remedy as may be and become necessary in order to preserve the Lessor's right and the interest of the Lessor in the premises and in this Lease even before the expiration of the grace or notice periods, provided for in this paragraph, if, under particular circumstances then existing, the allowance of such grace or the giving of such notice would prejudice or endanger the rights and estate of the Lessor in this Lease and in the demised premises.

C) All default and grace periods shall be deemed to run concurrently and not consecutively.

D) It is further covenanted and agreed by and between the parties hereto that the right given to the Lessor in this Lease to collect the rent that may be due under the terms of this Lease by any proceedings under the same or the right given to the Lessor to enforce any of the terms and provisions of this Lease, shall not in any way affect the right of such Lessor to declare this

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Lease void and the term created hereby ended, as herein provided, when default is made in the payment of said rent, or when default is made by the Lessee in any of the terms and provisions of this Lease.

E) If, at any time, by reason of the failure of the Lessee to keep and perform any covenant or agreement which, under the terms of this Lease, the Lessee is bound and obligated to keep and perform, it becomes necessary for the Lessor to employ an attorney at law to protect the rights and interests of the Lessor in the property demised or to enforce the Lease or proceed under it in any particular, then in any of such events, the Lessee will owe and pay unto the Lessor all costs of court and reasonable attorney's fees incurred or expended by the Lessor in taking such actions.

F) It is further covenanted and agreed that if the Lessee defaults in the payment of any of the sums required to be paid by the Lessee as provided for in this Lease (including but not limited to rent, taxes, insurance premiums and assessments) then the Lëssee may cure said default at any time prior to a decree of court cancelling the said Lease or a decree and/or judgment of eviction, by payment unto the Lessor of the same due and owing Lessor and/or paid by the Lessor in behalf of the Lessee together with interest thereon at the rate of ten (10%) per cent per annum from the date such payment was due, as well as payment to Lessor of any and all costs expended by the Lessor, including therein payment to the attorney of Lessor of a reasonable attorney's fee.

XVI.

REMEDIES CUMULATIVE

It is agreed that the various rights and remedies herein contained and reserved to the Lessor shall not be considered as exclusive of any other right or remedy but the same shall be construed as cumulative and shall be in addition to every other remedy

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now or hereafter existing at law, in equity or by statute; further, every power or remedy reserved by this indenture to the Lessor may be exercised from time to time and as often as occasion may arise or as it may deem expedient. No delay or omission of the Lessor to exercise any right or power arising from any omission, neglect or default of the Lessee shall impair any such right or power or shall be construed as a waiver of any such default or an acquiescence herein. No waiver of the breach of any of the covenants in this indenture shall be construed or held to be a waiver of any other breach or waiver or acquiescence in or consent to any further or succeeding breach of the same covenant. In case the Lessor shall have proceeded to enforce any right under this indenture by entry, suit or otherwise, and such proceeding shall have been discounted or abandoned because of a waiver, settlement or for any other reason, or shall have been determined adversely to the Lessor, then in every such case the Lessor shall be restored to his former condition and rights hereunder in respect to said demised premises and all rights, remedies and powers of the Lessor shall continue as though no such course had been taken.

It is agreed that neither the rights herein reserved, nor those available to the Lessor under the law to receive, sue for or recover any rent or rents, money or payments, or to enforce any of the terms, provisions, conditions or covenants in this indenture, or to prevent the breach or non-observance thereof, or the exercise of any such right of or any other right or remedy hereunder, otherwise granted, or arising, shall in any way affect, impair or control the right or power of the Lessor to declare the term hereby granted ended and to terminate this indenture because of any default or breach on the part of the Lessee.

XVII.

MORTGAGING AND SUBLEASING OF LESSEE'S INTEREST

Lessee shall not have the right to assign this Lease or sublet any part or parts of the leased premises without written

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consent of the Lessor. In the event such consent shall have been obtained, however, no assignment of this Lease or sublease shall operate to relieve Lessee from liability for the payment or performance of the terms or conditions of this Lease without the express written release evidenced by an instrument in writing executed by Lessor. Lessee shall have the right to mortgage its leasehold interest. Any mortgage, however, executed by Lessee shall in no way affect Lessor's interest in and to said property.

XVIII.

APARTMENT DEFINED

The term "apartment" as used herein shall mean "unit" as defined in the Condominium Act, the same being Chapter 711, Florida Statutes, 1971.

XIX.

COVENANT BY LESSEE RE: RENTS, ETC.

The Lessee, in the administration and operation of VILLA RIO, a condominium as aforementioned, hereby agrees with Lessor that during the term of this lease it will include in the budget of VILLA RIO, a condominium, each year an allocation to cover rent due hereunder and the cost of insurance, taxes, and other expenses which the Lessee has obligated itself to pay under this lease and such expenses shall therefore be included in the annual assessment levied by Lessee against the owner of or owners of apartments in the condominium.

XX.

LESSOR'S LIEN ON CONDOMINIUM PARCELS

In order to secure to Lessor all payments required to be made by Lessee hereunder to Lessor, the Lessor shall have a lien on any condominium parcel as the same is defined by Chapter 711, Florida Statutes, 1971, in VILLA RIO, a condominium, for any portion of an assessment made by the Lessee against said condominium parcel, for the payment of rent and taxes and other charges on the leasehold property, which shall not have been paid by the

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owner of said condominium parcel. The lien hereby provided shall also secure a reasonable attorney's fee incurred by the Lessor incident to the collection of said unpaid portion or enforcement of such lien. Said lien shall become effective from and after the time of recording a claim of lien in the Public Records of Broward County, Florida. Said claim must describe the condominium parcel, the name of the owner thereof and the amount due and date when due. The lien shall be effective until all sums secured by it have been paid in full. Said claim of lien shall include only the unpaid portion of assessments which are due and payable to Lessee which have been assessed for the benefit of Lessor when the claim of lien is filed. Upon payment in full of a claim of lien, Lessee and the owner of the condominium parcel shall be entitled to a recordable satisfaction of lien. All such liens shall be subordinate to the lien of a mortgage or any other lien recorded prior to the time of recording the claim of lien, and in the event the holder of a prior mortgage or lien shall accept and record a deed in lieu of foreclosure, or obtain a certificate of title as a result of foreclosure, the recording of said deed in lieu of foreclosure or certificate of title shall operate to release a subordinate claim of lien as provided hereunder. Any of the liens provided hereunder may be foreclosed by suit brought in the name of the Lessor in a like manner as a foreclosure of a mortgage on real property. The said Lessor, however, shall not be entitled to any deficiency decree against the owner of any condominium parcel. In any foreclosure, the owner of a condominium parcel shall be required to pay a reasonable rental for the use thereof and the Lessor shall be entitled to the appointment of a receiver to collect the same. Lessor shall have the right to maintain a suit to recover a money judgment against delinquent owners of condominium parcels for the unpaid portion of assessments without waiving the lien securing any unpaid assessments.

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XXI.

COVENANTS TO RUN WITH LAND

All covenants, conditions, provisions and agreements contained in this Lease are to run with the land and shall be binding upon and inure to the benefit of the Lessor, its successors and assigns, and the Lessee, its successors and assigns, and all persons claiming by, through or under the Lessor and the Lessee.

XXII.

PREFERRED LENDER DEFINED

Preferred lenders as the term is used herein shall mean any bank or savings and loan association chartered under the laws of the United States of America or under the laws of the State of Florida and any insurance company.

XXIII.

COMPLIANCE WITH THE LAW

That the Lessee shall promptly execute and comply with all statutes, ordinances, rules, orders, regulations and requirements of the Federal, State and City Government and of any and all Departments and Bureaus applicable to said premises for the correction, prevention and abatement of nuisances or other grievances in, upon or connected with said premises during said term.

XXIV.

TIME OF THE ESSENCE

It is understood and agreed between the parties hereto that time is of the essence of this contract and this applies to all terms and conditions contained herein.

XXV.

NOTICES

If a party hereto desires to give notice to the other or to make tender to the other, such notice or tender shall be in writing and shall be deemed given when it shall have been deposited in the United States Mails, certified and addressed to the party for whom it is intended as follows:

For the landlord:	1800 North Federal Highway Pompano Beach, Florida
For the tenant:	Apartment number________ 2400 N. E. 16th Street Pompano Beach, Florida

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument for the purposes therein expressed, the day and year above written.

Signed, sealed and delivered in the presence of:

Richard A. Newstreet

Arlene J. Weingarz

LESSOR:

Ray E. Murphy Jr., L.S.

Ann P. Murphy, L.S.

LESSEE:
VILLA RIO CONDOMINIUM APARTMENTS, INC.

Richard A. Newstreet

Arlene J. Weingarz

By: Ray E. Murphy Jr., L.S.

ATTEST: J. R. Smith, L.S.

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared RAY E. MURPHY, JR., and ANN P. MURPHY, individually and in behalf of BROWARD A.P.T. CORP., Lessor, to me well known and known to me to be the persons named as Lessor in the foregoing Lease, and they acknowledged that they executed the same for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this 20th day of February, 1973.

Richard A. Newstreet
Notary Public, State of Florida

RICHARD A. NEWSTREET NOTARY PUBLIC STATE OF FLORIDA AT LARGE

My Commission Expires:
NOTARY PUBLIC, STATE of FLORIDA at LARGE
MY COMMISSION EXPIRES JAN. 18, 1976
BONDED THRU GENERAL INSURANCE UNDERWRITERS

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally came RAY E. MURPHY AND J. RICHARD SMITH, individually and in behalf of VILLA RIO CONDOMINIUM APARTMENTS, INC., Lessee, to me well known and known to be the persons named as Lessee in the foregoing Lease, and they acknowledged that they executed the same for the purposes therein expressed.

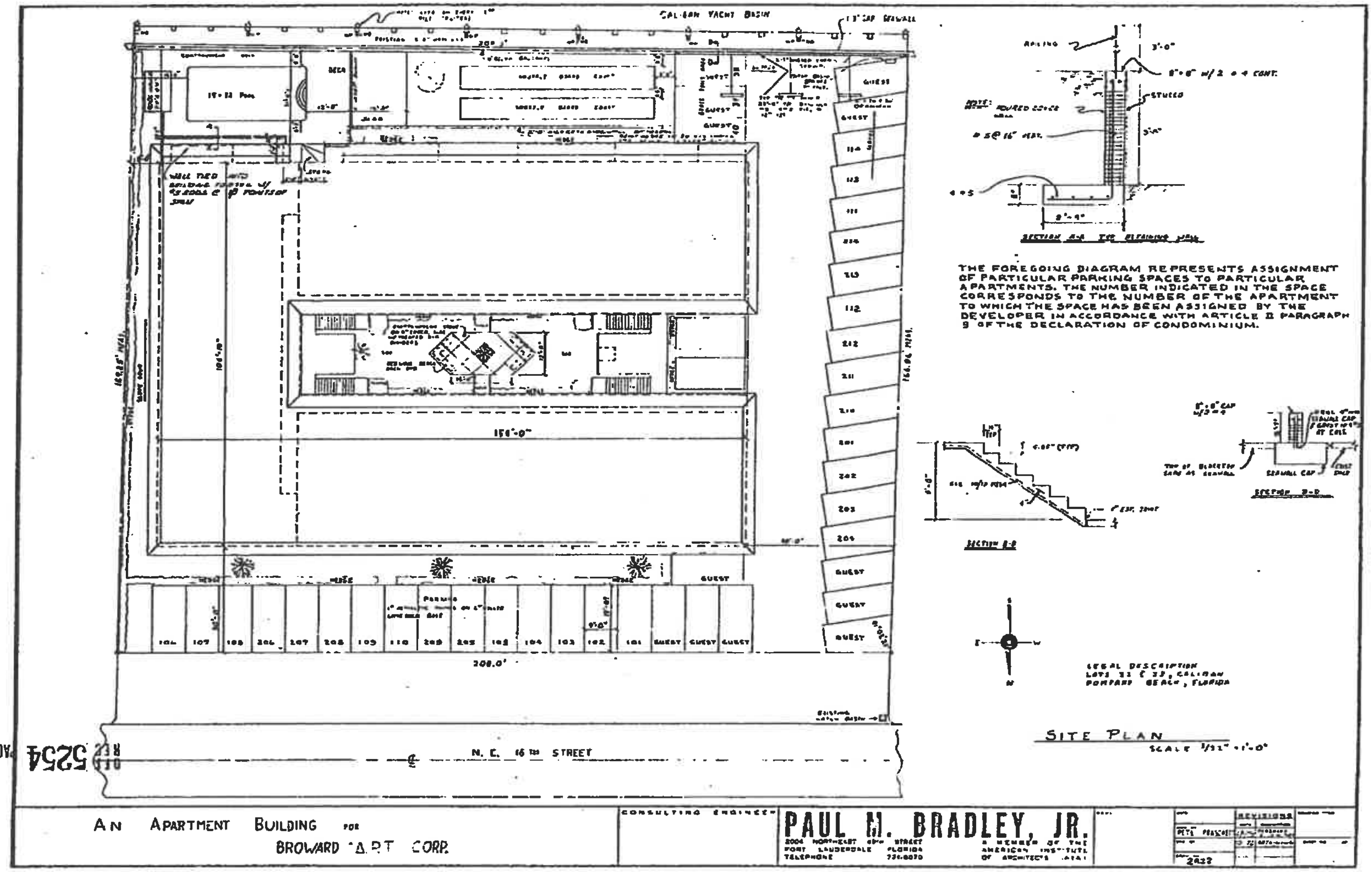
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this 20th day of February, 1973.

Richard A. Newstreet
Notary Public, State of Florida

RICHARD A. NEWSTREET NOTARY PUBLIC STATE OF FLORIDA AT LARGE

My Commission Expires:
NOTARY PUBLIC, STATE of FLORIDA at LARGE
MY COMM. EXPIRES JAN. 18, 1976
BONDED THRU GENERAL INSURANCE UNDERWRITERS

OFF REC 5254 PAGE 956



OFF REC 5254 PAGE 957

EXHIBIT E

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VILLA RIO

PIER LICENSE AND DOCKAGE RULES AND REGULATIONS

Only residents of VILLA RIO who own boats may keep the same at available dock spaces on the canal appurtenant to the recreational property boundaries.

Docking a boat at VILLA RIO is a conditional pier license granted at the discretion of your Board of Directors, their successors or assigns. Such license may be temporarily suspended or permanently revoked by the Board for violation of its terms. Boat owners shall, at all times, exercise care and prudence in the manner in which they use the VILLA RIO facilities, and they shall, more particularly, obey the following rules:

1. A boat proceeding under motor power shall make no wake. Its speed approaching dockside should never be higher than the minimum required to maintain steerage and headway.

2. No major engine servicing or other overhauling, re-finishing, or refitting shall be performed on a boat while it is at dockside. However, routine maintenance and housekeeping of the same which shall not interfere with the free passage, privacy and quiet enjoyment of other Pier Licensees, are permitted.

3. Licensee shall strictly obey all Laws and Ordinances of the State of Florida and the City of Pompano Beach, including those applicable to the use of sanitation facilities and wilful violations thereof shall make the license of the owner and/or the vessel revocable following written notice from the Board of Di-rectors. Provided, however, the Licensee shall have an opportunity to be heard.

4. No cleaning or dressing of fish shall be permitted at dockside except in an area provided therefor.

5. A boat owner, while enjoying the privilege of storing his boat at a specified docking place may install at such docking space a small tool chest or storage locker, flush with the edge of

Exhibit "F"

the dock walk. This locker shall not exceed 60 inches in over-all length, 24 inches in height, nor 18 inches in depth. It must be kept at all times in good repair and good appearance and must be painted white. Priority as to the use of docking spaces shall be granted to those residents to whom docking spaces have been allocated by the Developer or the Association.

6. All dockside water lines shall be on a single separate water meter, and all dockside electrical outlets shall be on a single separate electric meter, and a separate accounting shall be made of the water and electricity used by boat owners. An assessment shall be levied by the Condominium Association against said boat owners at the rate of $1.00 per foot, per month.

7. A unit owner shall be entitled to obtain a Pier License in accordance with the terms herein, but in no event shall a unit owner be entitled to more than one Pier License per unit owned by him. The Pier License obtained by a unit owner may be transferred only in accordance with the terms of conveyance for an apartment specified in paragraph VI of the Declaration of Condominium.

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JOINDER OF MORTGAGEE

PETER P. RUPPE and GLORIA J. RUPPE, his wife, as individuals, called the Mortgagee, the owner and holder of a mortgage upon the following lands in Broward County, Florida:

> Lots 32 and 33 of CALIBAN, according to the Plat thereof recorded in Plat Book 27, Page 12, of the Public Records of Broward County, Florida.

which mortgage is dated October 4, 1971, and is recorded in O.R. Book 4630, Page 207, of the Public Records of Broward County, Florida, joins in the making of the foregoing Declaration of Condominium, and the Mortgagee agrees that the lien of its mortgage shall be upon the following-described property in Broward County, Florida:

All of the apartments of VILLA RIO, a condominium, according to the Declaration of Condominium and the recreational lease area described as:

> Beginning at the Southeast corner of said Lot 33; thence Northerly, along the East line of said Lot 33, a distance of 25.5 feet; thence Westerly, 25.5 feetNorth of and parallel to the South line of said Lot 33; a distance of 145.0 feet; thence Southerly, 145.0 feet West of and parallel to the East line of said Lot 33, a distance of 24.5 feet; thence Westerly, 1.0 feet North of and parallel to the South line of said Lot 32, a distance of 63.0 feet to a point on the West line of said Lot 32; thence Southerly, along the West line of said Lot 32, a distance of 1.0 feet, to the Southwest corner of Lot 32; thence Easterly, along the South line of said Lots 32 and 33, a distance of 208.0 feet to the Point of Beginning.

TOGETHER with all of the appurtenances to the apartments including but not limited to all of the undivided shares in the common elements.

Peter P. Ruppe
PETER P. RUPPE

Gloria J. Ruppe
GLORIA J. RUPPE

Signed, ~~sealed~~ and delivered in the presence of:

Thomas R. Bush

Anne Edgeman

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STATE OF MICHIGAN)
:s.s:
COUNTY OF MACOMB)

BEFORE ME, appeared PETER P. RUPPE and GLORIA J. RUPPE, his wife, named as mortgagee, to me known to be the person described in and who executed the foregoing instrument and they acknowledged before that they executed the same.

WITNESS my hand and official seal in the County and State last aforesaid, this 26th day of Feb., 1973.

Thomas R. Bush

NOTARY PUBLIC

THOMAS R. BUSH
Notary Public, Macomb County, Mich.
My Commission Expires Jan. 5, 1976

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JOINDER OF MORTGAGEE

THE FIRST NATIONAL BANK OF POMPANO BEACH, a national banking association, Pompano Beach, Florida, called the Mortgagee, the owner and holder of a mortgage upon the following lands in Broward County, Florida:

> Lots 32 and 33 of CALIBAN, according to the Plat thereof recorded in Plat Book 27, Page 12, of the Public Records of Broward County, Florida.

which mortgage is dated April 14, 1972, and is recorded in O.R. Book 4836, Page 696, of the Public Records of Broward County, Florida, joins in the making of the foregoing Declaration of Condominium, and the Mortgagee agrees that the lien of its mortgage shall be upon the following-described property in Broward County, Florida:

All of the apartments of VILLA RIO, a condominium, according to the Declaration of Condominium, and the recreational lease area described as:

> Beginning at the Southeast corner of said Lot 33; thence Northerly, along the East line of said Lot 33, a distance of 25.5 feet; thence Westerly, 25.5 feet North of and parallel to the South line of said Lot 33, a distance of 145.0 feet; thence Southerly, 145.0 feet West of and parallel to the East line of said Lot 33, a distance of 24.5 feet; thence Westerly, 1.0 feet North of and parallel to the South line of said Lot 32, a distance of 63.0 feet to a point on the West line of said Lot 32; thence Southerly, along the West line of said Lot 32, a distance of 1.0 feet, to the Southwest corner of Lot 32; thence Easterly, along the South line of said Lots 32 and 33, a distance of 208.0 feet to the Point of Beginning.

TOGETHER with all of the appurtenances to the apartments including but not limited to all of the undivided shares in the common elements.

THE FIRST NATIONAL BANK OF POMPANO BEACH

By ________________
Exec Vice President

Attest: Hobart E. Dillon
~~Secretary~~ Mortgage Loan Officer

Signed, sealed and delivered in the presence of:

Doris M. Vitters

Virginia L. Smith

STATE OF FLORIDA)
COUNTY OF BROWARD) ss

BEFORE ME, the undersigned authority, this day personally appeared M. G. SANCHEZ and HOBART E. DODSON, Executive Vice President and Mortgage Loan Officer, respectively, of FIRST NATIONAL BANK OF POMPANO BEACH, named as mortgagee in the foregoing instrument and they severally acknowledged executing the same, in the presence of two subscribing witnesses, freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS MY HAND and official seal in the County and State last aforesaid, this 18th day of April, 1973.

Virginia L. Smith
Notary Public

My Commission Expires:
NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES MAR. 14, 1975
GENERAL INSURANCE UNDERWRITERS, INC.

RECORDED IN THE OFFICIAL RECORDS BOOK
OF BROWARD COUNTY, FLORIDA
JACK WHEELER
COUNTY COMPTROLLER

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